

## Ayatollah men close in on dismissed Bani-Sadr

From Tony Allaway, Tehran, June 11

Iran's all-powerful Muslim fundamentalists today closed in on President Abolhassan Bani-Sadr as Commander-in-Chief of the Armed Forces, his political opponents demanded his resignation from the presidency accusing him of incompetence.

On a day of high tension after last night's abrupt dismissal of Mr Bani-Sadr as Commander-in-Chief of the Armed Forces, his political opponents demanded his resignation from the presidency accusing him of incompetence.

The diminutive, 48-year-old President fled back to Tehran in disgrace this morning from Kermanshah, where he had completed his last tour of the war zone.

Outside a large crowd of Bani-Sadr's followers of the Party of God, demanded that he should be prevented from leaving the country. Carrying crude pictures depicting him as the former Shah they shouted: "Until the death of the second Shah the revolution will continue."

Ayatollah Khomeini summoned the military junta's commanders for a one-hour meeting, during which he ordered them to assume the responsibilities of the Commander-in-Chief until a successor was appointed.

As the commanders emerged from the meeting, Colonel Faruqi, the gendarmes chief, raised his fists to the large crowds who had gathered outside and shouted: "Say the Commander-in-Chief of the Armed Forces is Khomeini, Khomeini!"

The fundamentalists made it clear today that they were not content to leave Mr Bani-Sadr in his now purely ceremonial role of President.

This raises the possibility of constitutionally unseating him if he does not resign. "Some believe his opponents will try to put him on trial, a fate the President says he does not fear."

Mr Bani-Sadr, who declared in a recent interview, "The state radio broadcast a statement by the influential Militant Clergy Society which said: 'The President's offences became clearer day by day and...'"

Unfortunately he paid no attention to the advice of and warnings of [Ayatollah Khomeini] and society. As a whole his competence had completely deserted him."

Crowds in the streets shouted "Death to Bani-Sadr" and "Iran's General Pinochet must be put on trial". The President has been accused in the past of plotting a Chile-style takeover in Iran.

Revolutionary Guards fired in the air and used tear gas to break up fights between opponents and supporters of the President. Several arrests were made and there were reports of at least one death in the fighting.

One report spoke of scuffles at the parliament as fundamentalists attempted to attack Mr Mehdi Bazargan, the former Prime Minister, and other politically moderate parliamentarians. Shops in the city centre closed down as the skirmishes continued.

The radio said demonstrations were held throughout the country in support of Ayatollah Khomeini's decision to dismiss the President as Commander-in-Chief.

Political observers said he appeared to have little alternative but to resign. A farewell statement he issued to the armed forces as Commander-in-Chief gave no hint of his intentions, although its tone seemed to indicate that he would cling on to the last trappings of power, for the time being at least.

"I deem it necessary to express my thanks and appreciation to you, who have sincerely and devotedly been protecting the country and fighting the aggressor enemy," the President said.



Hail and farewell: Mr Jenkins and his wife boarding the Warrington train at Euston last night.

## In great shape for the Warrington weigh-in

By David Wood

It was, in effect, the first by-election special train from Euston to Warrington, although the destination board officially said Blackpool. Mr Roy Jenkins was on his way to the constituency where he was later officially adopted as the first parliamentary candidate fielded by the Social Democratic Party.

He had a carefully constructed speech ready to hand. The return to active politics after four years as President of the Brussels Commission proves to have been some sort of magic elixir.

He could almost claim, like Muhammad Ali, that he floats like a butterfly and stings like a bee. His wife and children, like Lord Harris of Greenwich, who travelled north with him, had every reason to think that their man could not have been in better shape to the Warrington weigh-in.

Mr Jenkins and the other joint leaders of the SDP have no illusions. They know that Warrington will be hard to capture from Labour.

But the new party had to fight to prove the seriousness of its challenge to the Labour and Conservative parties, and Mr Jenkins took no persuading that the honour of appearing as the first standard-bearer properly fell to him.

He wooed the Liberals without compromising the private talks he is to have locally during this visit in the hope of their support for his candidature.

He said: "Our sights are a party are very high. We want to show a way out from the old debilitating politics of outdated dogmatism, remote from the thoughts of ordinary people."

Other Labour frontbenchers raise deeper objections. They fear that to pass any amending legislation amounts to changing the rules in the middle of the game, in a way that may be exploited by the Provisional IRA.

Mr Roy Hattersley, the shadow Home Secretary, said last night that in the Opposition's view the campaign against terrorism would not be assisted by the Bill, and that Labour MPs would be recommended to oppose it.

But at the weekly meeting of the Parliamentary Labour Party, Mr James Dunn, MP for Liverpool, Kirkdale, said he would not vote against it. Mr James Wellbeloved, MP for Erith and Crayford, said that there would be a division in the party.

Ministers are hoping that when the Shadow Cabinet meets next week to discuss tactics, it may decide to allow the party a free vote, and so minimize the division.

## Diamond find may be half world output

By Michael Prest,  
Commodities Correspondent

Order and stability in the world diamond market, so long controlled by the South African producer De Beers, is threatened by the disclosure that a diamond field in Australia could increase world output by half. De Beers has been struggling to prevent gemstone prices from falling too far in the recession.

The field, called Smoke Creek, is in a remote part of Western Australia, some 2,200 kilometres north of Perth. While its existence has been known for some time, it is now thought capable of producing up to 25 million carats a year, in addition to current world production of 50 million.

But its crucial significance is that 10 per cent of these stones would be of gem quality. About 80 per cent of world diamond output is of industrial quality which accounts for just 20 per cent of revenue. Gemstones make the profits and set prices, so a sudden addition of 10 per cent to existing supply could seriously upset the market.

By the same token, the market for industrial diamonds, which has held up better in the recession than the gem market, could be undermined. Smoke Creek yields an average of five carats for each tonne of earth moved, compared with 0.5 carats in South Africa. This also poses a threat to the synthetic diamond industry, which has benefited from the strong demand for industrial stones.

Smoke Creek is part of a huge alluvial deposit scattered across the remote Kimberley mountains. It is under development by the Ashton Joint Venture, an agreement between Australian mining companies, the biggest of which, Constar Resources Australia (CRA), is controlled by Rio Tinto-Zinc, the huge British mining finance house.

At present the field could earn the partners US\$336m (£173m) a year, but much will depend on the impact made on the world market by the very existence of so big a reserve. Other deposits are known to exist in the area as well.

De Beers, which for half a century has dominated the diamond market through the De Beers Group (CSO), is therefore anxious to reach agreement with the joint venture to sell its output. A De Beers spokesman said yesterday that the company is very interested.

Even if De Beers does reach agreement on long-term sales contracts, which give the joint venture the benefit of a reliable income, in depressed times such as these the cost of financing the extra stocks withheld from the market could rise considerably.

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## UK project for space television

By David Hewson

The prospect of television programmes beamed from space to all parts of Britain has orders of seven satellites at the moment and expects to announce more in the next month. The United Kingdom television models would be L-Sats, a large satellite developed by the European Space Agency which BAE believes has a much more commercial future than the smaller counterparts.

The L-Sat version would carry considerable extra capacity which could be put to business use if the Government allowed, or rented to Irish or Spanish television stations, positioning of the satellites would enable them to broadcast equally well to the Republic of Ireland and Spain.

The BAE/Rothschild venture represents the most serious move into the promised broadcasting revolution so far, but it still faces serious obstacles. The timing of the scheme means that its planning will be interrupted by a general election which could introduce a government committed to different ideas about what the satellites should carry from those which the present Cabinet will eventually hold.

The ITV companies, which have been hit drastically by soaring costs and the extra burden of financing the new television service, would oppose any new commercial service which would break their monopoly on television advertising.

There is also some doubt over whether the public would be sufficiently interested in satellite channels to buy the extra equipment needed to receive it.

The new company is putting together a financing package which could include outside investors, according to a spokesman. The company is in discussion with the Home Office, but it is clear that it will never get off the ground until firm buyers are found for the broadcasting time it offers.

TV's space race, page 19

## Begin claims Israelis wrecked secret base

From Christopher Walker, Jerusalem, June 11

Mr Menachem Begin, the Israeli Prime Minister, claimed tonight that Sunday's Israeli air attack against Iraq's nuclear reactor had destroyed the secret installation on long-term sales contracts, which give the joint venture the benefit of a reliable income, in depressed times such as these the cost of financing the extra stocks withheld from the market could rise considerably.

He made the surprise disclosure in Tel Aviv during a reception at the residence of British Ambassador. The secret installation, he claimed, had been deliberately developed below ground to avoid detection by the International Atomic Energy Agency.

Asked if the secret Iraqi installation had been destroyed in the Israeli air attack, Mr Begin replied cryptically: "We destroyed everything."

There was some confusion in official Israeli circles tonight about the timing and the place chosen by Mr Begin to make his latest allegation which, if backed up by hard evidence, obviously reinforces Israel's repeated argument that the raid was an act of self-defence.

Guillain-Barré syndrome is a fatal polyneuritis that causes muscular weakness and, in severe cases, widespread paralysis. The damage to the nerves is, however, only transient. Most patients with the disease return to normal health, although recovery may take several months.

In contrast to multiple sclerosis, once recovery is complete it is permanent. The syndrome is named after French neurologist Jean-Martin Guillain and Jean Alexandre Barré, but it was described earlier by the nineteenth-century physician, Jean Baptiste Landry.

Despite its long history the syndrome remains largely unexplained. It usually begins a week or two after a minor virus infection such as a cough or cold, but in 1976 several hundred Americans developed Guillain-Barré syndrome after vaccination against influenza with the swine-flu vaccine.

The first symptom, more often than not, is weakness of the muscles of the feet and legs, most noticeable when climbing stairs or walking. Typically, the weakness spreads to the upper legs, trunk and arms over the next few days. In severe cases, the muscles of speech, swallowing, and respiration may be affected. In most cases the sensory nerves are also affected, causing numbness, tingling and sometimes pain in the arms and legs.

Usually the weakness worsens for the first seven days of the illness; it then remains constant for several weeks before the gradual onset of a spontaneous recovery of strength. The severity of the muscular weakness is variable, ranging from loss of some power in only a few muscle groups to total paralysis requiring treatment on an artificial respirator, when there is a risk of death.

No specific treatment can be prescribed to hasten recovery, but physiotherapy will be given to help the muscles regain their strength. Full recovery may be delayed beyond a year in the most severe cases, and most patients require prolonged convalescence before returning to their previous occupation.

"Stop squabbling", back page

## A woman's place is in the House

By Hugh Noyes  
Parliamentary Correspondent

The battle of the sexes was well and truly joined in the Commons yesterday with Mrs Gwyneth Dunwoody launching a savage attack from the Labour front bench and accusing the Government of being the root of every evil that has ever befallen womankind since the Garden of Eden.

To many MPs this sounded a bit rough on the female of the species, for alone the Government, since it was only a few months since Mrs Margaret Thatcher had just finished thumping Mr Michael Foot into the ground over unilateral disarmament and the Civil Service dispute.

Mrs Dunwoody, the member for Croydon, however, is a formidable woman and not the sort to be treated lightly in a dark alley on a dark night. She waded into the cause with gusto, so over-egging the cake that at one point she was claiming that there was so much inequality about that women, at least as far as the House of Commons was concerned, were not even being allowed to be mediocre because there were so few of them in the place.

So it was all rather easy for Mrs Sally Oppenheim, who always looks as though she is equal to anything, replying from the Tory front bench. Looking hard at Mr Denis Skinner, who had the temerity to interrupt her from a sedentary position, Mrs Oppenheim told him that from a woman's point of view there was no greater virtue in being a revolutionary.

Look at Robespierre, Karl Marx, Rousseau and Lenin. They had all gone off leaving their wives slaving over hot stoves. Like most men, they, even the best, were not home comforts and they were only too glad to have the dinner on the table when they came home from their revolutionary activities.

Mrs Oppenheim had discovered something in a government department, namely that the hypothetical male, the mild bogged at the thought of a meeting between him and the statutory female. What might be the offspring of such a union, pondered Mrs Oppenheim.

Anyway, as the debate developed, it seemed that about the most unequal place as far as women were concerned was the House of Commons. Dame Judith Hart pointed out that it was not recently that the Sergeant-at-Arms had stopped sitting women "in."

Moreover, it was only since the days of Barbara Castle that women were allowed out into fields other than pensions, education and social welfare. Even worse, Mr John Rennie, who joined in the debate on the grounds that his mother and great aunt had formerly been MPs, reminded the House that there were certain doors through which only men were not supposed to pass.

There were doors marked "members" and doors marked "lady members" and were beside any woman MP who failed to notice the difference. However, Mr Rennie ended on a more hopeful note. As Eva had pointed out to Adam in the Garden of Eden, we were in a period of transition. So perhaps, as Sir Geoffrey Howe is fond of saying, the House's things are at last bottoming out.

Parliamentary report, page 6

## Up to 3,000 feared dead in Iran earthquake

Tehran, June 11.—Between 1,500 and 3,000 people were killed when an earthquake devastated a large area of Iran's Kerman Province, today, Mr Muhammad Ali Rajai, the Prime Minister, said.

Mr Rajai described the earthquake as a national disaster. State television interrupted its broadcasts to give the Prime Minister's first estimate of the death toll in the south-eastern province.

More than 1,500 severely injured people were taken to hospitals while rescue teams searched for survivors buried under tons of dirt and rubble. The rescue teams were joined by troops, Revolutionary Guards and medical teams.

Worst hit was the town of Golbagh, which has 10,000 inhabitants and its surrounding villages, Mr Abolhassan Savadkouhi, Governor of Kerman, said. He added that more than 1,000 people were feared to be buried under the rubble of their homes.

The earthquake registered 6.8 on the open-ended Richter scale, according to the Tehran Geophysical Institute. The disaster area was 50 miles south-east of the provincial capital of Kerman, but the epicentre of the quake was located in the salt desert of Loo.

The Governor said two-thirds of the area, inhabited by 40,000 people, was destroyed. In the village of Gol Bagh, 43 miles south-east of Kerman, up to 500 people were injured, according to first reports.

The state radio said the earthquake left a vast trail of destruction. Helicopters were sent to the area to evacuate the injured and transfer them to hospitals.

Today's earthquake appeared to have been the worst to hit Iran since the 1976 tremors measuring about 7.6 on the Richter scale which killed 15,000 people in September, 1978.—Reuters and AP.

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## Benn out of action for some time

By Dr Tony Smith  
Medical Correspondent

Mr Wedgwood Benn is suffering from Guillain-Barré syndrome, acute polyneuritis, inflammation of the nerves, affecting his legs, Charlie Cross Hospital, London, said yesterday. It is likely to keep him out of action for several weeks.

Guillain-Barré syndrome is a fatal polyneuritis that causes muscular weakness and, in severe cases, widespread paralysis. The damage to the nerves is, however, only transient. Most patients with the disease return to normal health, although recovery may take several months.

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"Stop squabbling", back page

## US concern at threat to Poland

From David Cross  
Washington, June 11

The United States has told the Soviet Union that it is deeply concerned about its latest attack on Poland towards greater democracy.

A State Department spokesman said today that Washington felt the threatening tone of the recent letter from the Soviet Communist Party to the Polish party hierarchy were, in Washington's view, an internal matter and should be treated as such by Moscow.

Asked about the state of readiness of Soviet troops in and around Poland, the spokesman said they were in a fairly high state of readiness but there was no new information to confirm rumours last week that they might be preparing for another round of military exercises to intimidate the Poles.

Kania pledges, page 5

Leading article, page 15

## Zara is royal baby's name

Princess Anne's daughter is to be called Zara. Anne, Elizabeth, Buckingham Palace announced last night. Zara is a Greek biblical name and means "bright as the dawn".

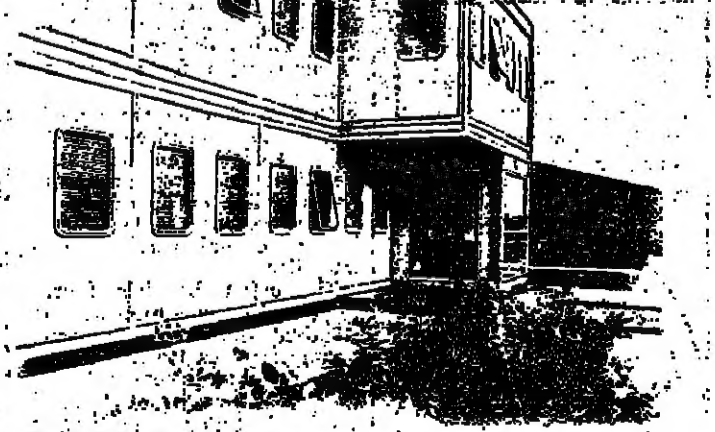
A Palace spokesman said: "Princess Anne and Captain Phillips just liked the name. They do not know anyone called Zara."

Miss Zara Phillips, as she will be known, is the Queen's second grandchild and third in line to the throne. No date has been fixed for the christening.

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# Ministry suspends 900 staff in benefits offices

By Donald Macintyre and Pat Healy

The Government line against the Civil Service unions hardened further yesterday when the Department of Employment issued suspension notices to more than 900 staff in Scottish unemployment benefits offices.

The move came shortly before the Prime Minister infuriated union leaders by telling the Commons that with incremental increases and backdating to April the offer to Civil Servants worked out at "11 per cent over and above last year".

The staff formally given suspension notices in Scotland had been refusing to make out benefit payments by hand under emergency procedures established because of the strike by computer staff at Livingston, near Edinburgh, and Reading.

The department reported that seven offices were closed and a further 41 unable to provide adequate service. Mr James Prior, Secretary of State for Employment, said in a statement: "We cannot tolerate a situation in which staff refuse to carry out their duties appropriate to their grades under the emergency procedures while continuing to receive full pay."

About 100,000 unemployed have been unable to get their national insurance benefits this week because of the intensification of the strike, which has stopped three benefits.

Another 350,000 mothers claiming child benefit will not receive their other books in two weeks' time, and 125,000 people due to retire in the next four months will not receive pensions.

International and domestic flights are likely to face serious disruption today as air traffic control staff at Heathrow and the West Drayton air traffic control centres re-enter the dispute.

## Top jobs are still going to Oxbridge

By Diana Geddes, Education Correspondent

Oxbridge candidates last year again accounted for three-fifths of the successful entrants to the administration trainee grade of the Civil Service, the entry point for "high-fliers" destined for rapid promotion to the highest echelons within Whitehall. Yet only 5 per cent of graduates come from those two universities.

One in five of a total of 497 applicants from Oxbridge was administration trainee places, compared with one in 33 of a total of nearly 2,000 applicants from other universities and polytechnics.

Former pupils of independent and direct-grant schools again accounted for half of all successful applicants, although they make up only 7 per cent of all pupils. Only 10 applicants from these schools won places, compared with one in 20 of applicants from maintained schools.

The highest success rate (22 per cent) was for those who had been to a direct-grant or independent school, followed by Oxbridge, then a combination of maintained schools and Oxbridge (11 per cent), direct-grant and non-Oxbridge (4 per cent), maintained and non-Oxbridge (3 per cent), and independent school and non-Oxbridge (2 per cent).

Of 146 successful candidates, only 18 had degrees in science and technology, 36 had degrees in the social sciences, and 90 had arts degrees.

After several years of falling short of its target, the Civil Service has begun to attract the calibre and quantity of qualified accountants it needs (Peter Hennessy writes).

Figures published by the Civil Service Commission today show that last year government departments had 30 vacancies for senior accountants and accountants. Eighteen people were appointed and a further 12 recommended for appointment from 351 applicants.

Reflecting the same trend, the Exchequer and Audit Department, which provides the Commons Public Accounts Committee with ammunition, had 109 vacancies for government auditors last year and filled them all.

Civil Service Commission, Annual Report 1980-81, Civil Service Commission, Alton, Basingstoke, Hampshire.

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## I will not crawl, dropped MP says

By George Clark, Political Correspondent

In a bitter attack on the Labour Party's new reselection process, Mr Eric Ogden, MP for Liverpool, West Derby, who was rejected by his constituency last night after the escape by eight suspected IRA prisoners from the Crumlin Road jail, in Belfast, said: "I will not crawl, I will not be dropped."

Mr Ogden, who has represented the constituency for 17 years, said he could confirm that those who stood and fought their ground could get re-elected. "I can confirm that there is a removal of the party from the Labour Party and all the way up to, and including, Michael Foot," he said. "It did not exclude some other members of the national executive."

He had begun his speech cheerfully by saying that reports of his political demise in West Derby were at best exaggerated. "Those who succeeded can be expected to make my political life in the constituency party more and more difficult, and they are the ones who would be most pleased to drive me out of the constituency or the Labour Party," he said.

Three of the nominees for West Derby had lost their seats in the last election, and moved on to other pastures. The selected prospective candidate is better at winning a selection conference than he is at winning elections.

On Sunday he was rejected in favour of Mr Robert Wareing, aged 50, a polytechnic lecturer who is a supporter of Mr Woodhouse, and was twice defeated by the Liberals at Liverpool, Edge Hill.

## Shore attacks SDP as Tory auxiliaries

By Our Political Staff

Mr Peter Shore, the shadow Chancellor, last night voiced the growing Labour fear that the emergence of the Social Democratic Party will prevent the return of a future Labour government.

In a bitter attack on the new party, Mr Shore said: "Whether they intend it or not, the Social Democrats are doing exactly what we want them to do. They are in reality the auxiliaries of the worst government we have had this century."

Mr Shore, who was opposing a motion at the Cambridge Union favouring the realignment of British politics, said that the Prime Minister's only hope was that the anti-Tory tide would flow not to the candidates of the Opposition, who alone could form an alternative government.

"This is the political reality of their intervention. There is not the slightest possibility of their being able to form an alternative government themselves."

## Solicitors held under Terrorism Act after Belfast jailbreak

From Richard Ford, Belfast

Five men, including two solicitors and a trainee solicitor, were being questioned by Royal Ulster Constabulary detectives last night after the escape by eight suspected IRA prisoners from the Crumlin Road jail, in Belfast. The five were arrested in the jail.

They were being held under section 12 of the Prevention of Terrorism Act at the Castlebragh detention centre, in the city.

As an intense search for the wanted men continued across Ulster, with the greatest security checks on the border routes, the RUC refused to name the men being held. They said they never gave the names of people being questioned.

However, one of the men was named in the House of Commons. He is Mr Oliver Kelly, aged 34, who has represented several of the men in the M60 machine-gun, murder case, which has been going on for five weeks at the court in the Crumlin Road.

Mr Kelly is a graduate of Queen's University, Belfast, and has been a practising solicitor in the city for 10 years, specializing in criminal law.

Mr Ciaran Steele, a colleague in his practice, who is a trainee solicitor in his early twenties and also a graduate of Queen's University, is another of the men being held.

The other man named is Mr Joseph Rice, a newly qualified solicitor, who also works with a Belfast solicitors' firm and was representing some of the escaped men.

The Provisional IRA say the men are in the safety of the Belfast Brigade. Security forces do not think the have left the city. Meanwhile the police and Army continue their manhunt with road blocks in parts of Belfast and on the main routes across the border into the Irish Republic. The Gardaí have been alerted and a close watch is being kept on harbours and airports.

The police were particularly active yesterday in the republic, where the men were expected to have performed well. Belfast, with many side roads closed as they stopped traffic. Taxi drivers protested when road blocks went up, but to many it was clear that the eight men were quickly becoming folk heroes.

These men, who were in custody charged with the murder of a police officer, escaped from Crumlin Road Jail on the afternoon Wednesday 11th June 1981.

One of the 20,000 "wanted" posters being distributed in Northern Ireland.

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Mr Haughey (left) and Dr Fitz, erald voting yesterday.

## High turnout as Irish electors defy rain

From Christopher Thomas, Dublin

The Irish Republic's 2,250,000 voters went to the polls in driving rain yesterday to elect the twenty-second Dail. The turnout was high, possibly well over 70 per cent.

Last-minute opinion polls put Fianna Fail and the combined forces of Fine Gael and the Labour Party virtually neck and neck. The nine D-block candidates, four of them on hunger strike, are not expected to have performed well.

The key issues in the campaign were jobs and prices, with Northern Ireland and the Maze crisis low on the electorate's list of priorities. Whoever runs the next Parliament, which reassembles on June 30, will face a grave economic crisis. A supplementary budget later in the year to raise more taxes looks certain.

It is the first time Mr Charles Haughey, the Prime Minister, and Dr Garret FitzGerald have faced the electorate as party leaders. Mr

Haughey, of Fianna Fail, has said throughout the campaign that he was seeking a personal mandate to continue to try to solve the Northern Ireland question.

Dr FitzGerald, of Fine Gael, concentrated almost entirely on economic issues making only one speech about Ulster.

Mr Haughey has many opponents within his party and it is clear that his future as leader will be in serious danger. The hardline republican wing is bitterly disappointed that he has not been more critical of the British Government over the Maze crisis.

Counting begins today in the 41 constituencies, but the final results are not expected until tomorrow. The new Dail will have 166 candidates, 18 more than at the time of the last general election, in 1977, as a result of boundary changes that take account of the increased population.

## Ministers to study report on battered baby's death

By Pat Healy, Social Services Correspondent

Ministers at the Department of Health and Social Security asked yesterday for copies of the independent inquiry report on the death of Maria Melmed, the 11-month-old baby who died in 1978 after being severely battered by her father.

The report, believed to be the twentieth in 10 years on the death of a battered child, also criticized the failings of the health services in the early stages of the child's short life. That, too, was worrying ministers.

The department is preparing a review of the lessons to be learned from the various inquiries on child deaths. It is expected to be published this week. Sir George Young, Under Secretary of State for Social Services, has also promised a new practical manual for field workers on handling cases of child abuse.

Sir George said yesterday that his department was going through a previous report on child deaths "with a fine tooth comb" to look for common factors.

Local health authorities in south-east London, where Maria was born and died, are responding rapidly to the report. The local family practitioner committee, which would be responsible for implementing any advice to doctors following the report, are to consider the implications on July 7.

The committee have already circulated guidance to doctors on what to do when they suspect child abuse, including the advice that they should "immediately contact the local paediatrician".

The report on Maria's death criticized her family doctor for not passing on his suspicions that she might be a battered child, for failing to respond immediately to a health visitor's call when she found the baby bruised, and for not attending a case conference on Maria's death. The committee will consider whether it is practicable to have family doctors attend all case conferences on child abuse on one of their patients. Their view is that doctors do not attend because of pressures on their time, rather than through any disbelief in the value of such conferences.

Meanwhile a report on a proposal to put more social workers into child abuse cases is being prepared by Southwark social services department. If its views are accepted, however, support for other groups, including the elderly, would have to be reduced.

## Steel tells Democrats to choose a leader

By Our Political Staff

Mr David Steel told the Social Democrats last night to make up their minds and choose a leader.

The Liberal Party leader said that he found the collective leadership of the SDP to be a slow, cumbersome and rather frustrating mechanism. The party's leadership duties are shared by Mrs Shirley Williams, Mr Roy Jenkins, Dr David Owen, MP, and Mr William Rogers, MP.

Interviewed on the BBC 2 programme, *The Pursuit of Power*, Mr Steel, disclosed that he had privately told the Social Democrats that they should make a choice, and he did not mind saying it publicly. They must choose themselves sooner or later, and obviously the sooner the better.

Mr Steel praised the decision of Mr Roy Jenkins to stand in the West-Downing by-election. When asked whether Mr Jenkins was missing a trick by likely leader of a possible SDP-Liberal alliance, he agreed that it was possible.

He emphasized, however, that the question of whom the SDP chose as leader was a matter for them.

## Esso offers pay for more mph

By Paul Routledge, Labour Editor

Esso Petroleum offering its motor drivers pay rises of £18 a week to drive 110 mph faster on the motorways. The company wants delivery men to average 36 miles an hour.

The offer is part of a productivity scheme on which about 1,000 drivers are to be later. The offer is to be made by the company's 110 mph delivery men. It will raise earnings to about £130 a week.

The drivers, who belong to the Transport and General Workers' Union, are being asked to reduce journey times so that more deliveries can be made in normal working time. At present drivers on some motorway routes average only 20 mph for a trip.

Faster journey times would cut overtime in the company's tanker operation by up to 5 per cent. Other productivity concessions sought by Esso are designed to make the whole scheme self-financing. One controversial aspect is the phasing out of 10 per cent of jobs among drivers and petrol depot workers. As many as 180 jobs could go.

Esso's offer of £18 a week more is on basic rates of £105 for the drivers, whose actual earnings with overtime and shift premiums would rise from about £130 to £170-£180.

The company is also talking to the unions on other productivity schemes.

Nupee's nurses and nursing auxiliaries are being asked what action they wish to take if they reject the 6 per cent offer.

Nupee said possible action might involve demonstrations, refusal to carry out non-nursing duties and refusal to work on wards unless fully trained staff were present.

The Royal College of Nursing and the Confederation of Health Service Employees are also consulting their members on whether to accept the 6 per cent offer.

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## TOP TOWER OPENED BY THE QUEEN

The Queen opened Britain's tallest office building yesterday to the sound of fire alarms. As she finished her opening speech at the 600ft National Westminster Tower, in the City of London, the building's fire alarm went off by the heat from the television lamps.

The tower, in Old Broad Street, cost £30 million to build and is the banking group's growing international section.

The Queen unveiled a plaque and said: "The growth and success of your international operations command worldwide respect, and the tower can only be enhanced now they are accommodated in such a fine headquarters."

After visiting the mail and translation department on the fourth floor, the Queen took the lift to the roof to be shown the panoramic view of London and the surrounding countryside.

Architects for the development were Richard Seifert and Partners and the main contractor was John Mowlem.

Work on the tower began in 1971 and it was occupied last year. About 2,500 staff will be housed there.

## Courageous woman PC routed mob

A judge yesterday praised a police woman's "outstanding courage" in routing a mob of 30 drunken football fans who were attacking an injured man.

Judge Owen Stable called Woman Police Constable Joanne Shepherd, aged 24, to the Central Criminal Court for the commendation. Last week she had been fined three months for an incident, which included an attack on two off-duty police men.

He told them the people of London were "sick and tired" of violence and terror in the streets after matches. Drunken louts behaved like "primal savages".

WPC Shepherd waded into the mob, near King's Cross station, in north London, when she saw them hitting a man on the ground with a tennis racket.

She rescued the man, grabbed the racket, chased the fleeing fans and helped to arrest two of them.

Judge Stable told the 5ft-4in, eight-stone constable: "At all times you were heavily outnumbered but you did not bestir or delay for a second."

Science report is on page 4

Overseas selling prices  
Belgium 3



## Ambulancemen warned against unofficial walkout

By Donald Macintyre, Labour Reporter

Union leaders yesterday tried again to prevent a crisis in the London ambulance service on Monday, as a further 300 ambulancemen went on an all-out one-day strike in two regions of Scotland.

Mr Alan Fisher, general secretary of the National Union of Public Employees, sent a circular to London ambulance branches emphasizing that the call by senior shop stewards for all-out action on Monday, including a ban on emergency calls, did not have the approval of the union's executive.

The only hope of averting a widening of the dispute involving the country's 17,000 ambulancemen appeared last night to rest with the Advisory, Conciliation and Arbitration Service, which held exploratory talks with area health authority representatives.

Acas was also in touch by telephone with union officials and was hoping to arrange further early talks with the union side to find whether there might be any basis for conciliation.

Police yesterday stepped in to provide emergency cover throughout Lancashire and the Forth Valley areas after 280 ambulancemen walked out on a 24-hour all-out strike.

## Pennine rail link to close

From Our Correspondent, Sheffield

The Woodhead freight line, a trans-Pennine rail route, is to close despite the findings of a public inquiry organized by the National Union of Railwaymen, British Rail announced yesterday.

The inquiry into the future of the line, between Sheffield and Manchester, was held in Sheffield last month, and the findings were that BR should keep the line open at least until a decision is made on electrification.

BR in Sheffield said that it was not a party to the inquiry. "We plan to close the route from the beginning of next month and we see no reason for that to change."

BR claim the route is losing money and there are better routes across the Pennines, but opponents accuse them of using misleading figures.

## Trainee accountants told to quit

By Our Education Correspondent

Fifteen graduates article to one of the biggest firms of chartered accountants have been asked to resign after failing the first of three qualifying examinations to become chartered accountants.

The Institute of Chartered Accountants said yesterday that it was "normal practice" to allow students at least two attempts at the examination.

But students were under probation for the first year of their articles, and it was up to individual firms to decide whether to end their contracts.

## Universities defend UGC part in cuts

By Diana Geddes, Education Correspondent

University vice-chancellors are vigorously defending the University Grants Committee (UGC), the body poised to axe large sections of the university system. The letters informing universities of the size of their cuts, with advice on what should be axed, are due to go out at the end of this month.

Sir Alec Morrison, Vice-Chancellor of Bristol and chairman of the Committee of Vice-Chancellors and Principals, has written to Mr Neil Kinnock, opposition spokesman on education, denying his recent allegation that the UGC "seems to have abandoned any pretensions to an independent role between government and the universities", and was "now simply the executor of punitive cuts in higher education".

Sir Alec said "that the universities had every reason to suppose that the Government was forcing the UGC to act in an intolerable manner, as a matter of constitutional propriety, it had never been challenged that it was for the Government and not the UGC, to determine the total resources to be made available to the universities."

He said: "All we can expect of the UGC is that they should advise as strongly as they can concerning the inadequacy of this. But once those limits have been set, I am sure the universities would much prefer the consequent distribution of resources to be in the hands of the UGC rather than those of the Department of Education and Science."

For that reason the vice-chancellors did not agree with colleagues in the Association of University Teachers that the Government was forcing the UGC to act in an intolerable manner, as a matter of constitutional propriety, it had never been challenged that it was for the Government and not the UGC, to determine the total resources to be made available to the universities."

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The Duke of Wellington at Euston, London, yesterday in the cab of an electric locomotive to which he gave his name.

## Way sought to speed planning

By Our Planning Reporter

The Government is anxious to make greater use of special development orders to speed up planning decisions. Provision for such orders, subject to the consent of Parliament, is made in the Town and Country Planning Act, 1971.

A circular sent to local authority associations and to nearly 50 professional, business and environmental bodies says that Mr Michael Heseltine, Secretary of State for the Environment, would like to examine the possibility of making fuller use of the provision.

It suggests that special development orders might be appropriate, for example, to the construction and extension of industrial estates; the designation of industrial improvement areas; the building of housing estates in areas where the local authority is anxious to stimulate development; and certain urban sites where the developer was prepared to invite open design competition.

The purpose would be to stimulate development by providing the developer with the prospect of speed and certainty of decision with a minimum of red tape, the circular states.

## Police warning after killing in cemetery

By Stewart Tindler, Crime Reporter

The attacker who killed Mrs Ethel Page, aged 75, as she tended relatives' graves in Belling and Old Brentford Cemetery, in west London, might be seriously disturbed and capable of further attacks, the police said yesterday.

Mrs Page of Maple Grove, Belling, went into the cemetery on Wednesday afternoon carrying a bunch of roses to lay on graves in a quiet corner of the ground.

Her attacker struck while she was near the graves; her body was found by a cemetery worker several hours later. Police would not describe the nature of the attack but said it had been vicious. Mrs Page had difficulty walking and bad eyesight and could have offered little resistance.

## Head accused of indecency

A primary school headmaster was sent for trial yesterday accused of indecently assaulting four young girls.

Mr George Cattermole, 40, of St Mary's Church of England primary school, Woodham Fens, Essex, faces eight charges in a private prosecution brought by parents, alleging that he indecently assaulted or commonly assaulted four girl pupils aged eight in a classroom at his school.

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## WHERE WILL YOUR COMPANY BE IN 300 YEARS TIME?

There are three words you can read in the newspapers almost any day of the week: Middle East crisis. We'll leave it to you to conjure up pictures of soaring prices, unreliable supplies and increasingly tight stock.

There is now no concrete argument for not installing coal fired boiler equipment, particularly if your company is planning to be around for some time. Maybe even in 300 years time.

## COAL: BE PREPARED TO BE SURPRISED.

There have been some very impressive advances in boiler technology, combustion, as well as methods of coal and ash handling.

It's now possible to operate in excess of 80% thermal efficiency, which makes coal firing both very economic and competitive.

It can be completely automatic with the modern coal and ash handling equipment. This permits coal fired boiler houses to be light, airy and clean.

And it's very up-to-date. Over the years extensive research and development programmes have been carried out. The most recent development is fluidised bed combustion.

This technique provides higher heat release rates, which means boiler sizes, and therefore capital costs, may be reduced.

It also means that a wider range of coal can be burned and with combustion taking place at a temperature below the melting point of ash, boiler availability is greatly extended.

## COMPANIES THAT CAN SEE BEYOND THE NEXT 20 YEARS.

Many far sighted companies are using coal fired boilers already.

For example, John Sanders, Chief Engineer at Hotpoint, says "We are

experiencing fantastic savings whilst many around us are facing problems with other fuels. We selected coal as our







# New doubts on Windscale discharge

By David Nicholson-Lord

The controversy over the discharge of plutonium into the sea from the nuclear reprocessing plant at Windscale, Cumbria, seems certain to be renewed next month with the publication of a report raising fresh doubts about health risks.

The report, a copy of which has been obtained by *The Times*, also strongly criticizes the authorities for allowing the discharges to continue.

No other country discharged the products of uranium fission "so liberally" into the environment. In the United States, Windscale would not be allowed a licence, the report states.

Radioactive discharges in liquid effluent from the plant were the subject of prolonged technical dispute at the Parker inquiry in 1977 into the Windscale extension.

Much of that centred on the longer-term behaviour of the plutonium, 95 per cent of which is absorbed within days in sea-bottom sediment but which retains a radioactive half-life of several thousand years.

The new study, by the Oxford-based Political Ecology Research Group, based concerns chiefly on research done since the inquiry on possible pathways for the plutonium back into the atmosphere and the food chain.

It emphasizes, however, that present levels of human exposure, for example in the air along the west Cumbrian coast, where some 10 to 15 times normal fallout amounts of plutonium are present, are still less than 1 per cent of allowable limits.

About a quarter of a tonne of plutonium had been discharged into the Irish Sea, and the rate continued at about 15 kilograms a year.

The study questions the authorities' view that it would take an event of "cataclysmic proportions" to remobilize enough plutonium from sediment to constitute a hazard.

Recent research by the German Hydrographic Institute and the Woods Hole Oceanographic Institute, in the United States, has provided data on plutonium concentrations in Scottish coastal waters.

These showed a relationship not to the annual discharge from Windscale but to the cumulative discharge over three decades. There was "sufficient evidence that plutonium has the potential to remobilize from sediments, at least over relatively short geological time-scales."

"In our view there are ample grounds for believing that major remobilization of sediment, either following a 'cataclysmic' event such as an earth

tremor or storm, or more slowly as a result of geological processes, could lead to unacceptable high exposure along a significant section of the north-east Irish Sea coast."

Big reductions were needed in the discharges of plutonium, as well as of shorter-lived substances like caesium-137.

Other nuclear countries, such as the United States, Russia, West Germany and Japan, had effectively banned such discharges by reducing them to tiny amounts.

British Nuclear Fuels, which is responsible for the Windscale plant, said it would prepare a detailed reply when the report was published.

"Our discharges are made under authorizations granted to us by the government departments concerned, and are well within those authorizations," it said.

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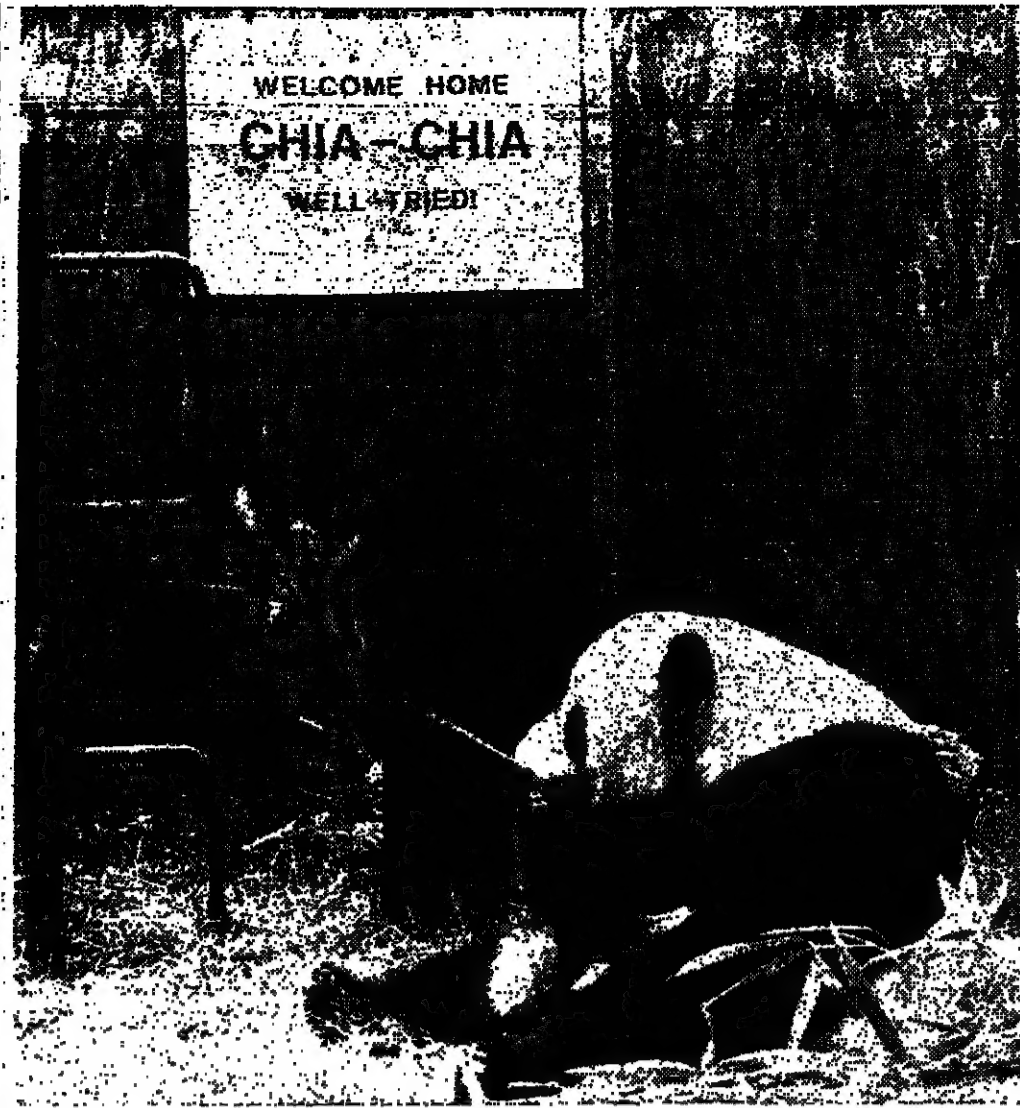
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## Down and out in Washington and London

Chia-Chia seeking solace in a bamboo shoot at London Zoo yesterday after flying back from the United States and

his ill-fated love match with Ling-Ling, Washington Zoo's female giant panda. Ling-Ling spurned Chia-Chia's advances.

Photograph by Bill Warhurst

## Women who are dab-hands at home DIY

By Frances Gibb

Many women are a dab hand at home improvements and happily tackle such jobs as wallpapering and putting up shelves, according to a survey published yesterday.

More than eight out of ten wives said they enjoyed doing-it-yourself jobs and the same number said they would tackle most jobs themselves before calling in professionals.

Well over half said they were a match for their husbands when it came to home improvements and more than 80 per cent felt competent to do wallpapering and painting.

The survey also shows that a fifth had tried plastering, more than a third had put up shelves and one in seven had tried plumbing. It was conducted on behalf of Polycell Products Ltd by Taylor Nelson Associates. Some 500 wives throughout the country were interviewed, all first-time home owners who had tackled at least one DIY job in the last year.

The survey shows regional differences in the kind of work women do in the home. Northern wives are more likely to paint interior woodwork, and mend wall tiles and wallpaper, while in the Midlands, where in the sample there were more semi-detached home owners, women tended to do more exterior painting.

1981 Polycell Report on the DIY Market Britain's DIY Wives Polycell Products, 30 Broadwater Road, Welwyn Garden City, Hertfordshire AL7 3AZ.

## Jobs threat seen in fishing curb

From Ronald Kershaw Leeds

Britain's inshore fishermen are to campaign against a clause in the Wildlife and Countryside Bill, now going through Parliament, which would restrict fishing and possibly threaten their jobs.

They say the clause was slipped into the Bill without consultations with the industry and they consider it a further intrusion into inshore fishing operations.

The clause seeks legal powers to designate marine nature reserves within which certain fishing practices, whether sporting or commercial, will be prohibited in an area of up to 1,000 metres beyond the low water mark and 10 kilometres along the coast.

The reserves are said to be for the conservation of wildlife, for research, monitoring and education.

Mr Nigel Atkins, chief executive of the National Federation of Fishermen's Organisations, said last night that the reserves could affect the earnings of inshore fishermen, whose margins had been trimmed to the limit.

The clause, he said, had been grafted on to the Bill at the committee stage in the House of Lords, although a working party examined nature conservation and the marine environment in 1979 recommended that there should be full consultation with all parties about legislation to establish and manage nature reserves.

Conservation and environmental groups believe that if no improvement is made in the Wildlife and Countryside Bill they should resist the whole Bill. Mr Denis Howell, Opposition spokesman on the standing committee on the Bill, said yesterday (John Winder writes).

Those groups believed that opposition to the Bill would focus attention on the matter and ensure that the Government would have to come back with a Bill which effectively protected the environment and amenity, he said at yesterday's committee hearing.

Mr Hector Monro, Under-Secretary of State for the Environment, said it was astonishing that people could cast aside all the good work and consultative papers of the past few years for the sake of a Bill in a few years' time. He did not believe that was the view of all conservation societies.

Mr Robin Grove-White, director of the Council for the Protection of Rural England, has written to Mr Tom King, Minister for Local Government and Environmental Services, saying that there was now little in the Bill that his council could defend as seriously tackling issues likely to be faced by Britain's wildlife and countryside over the next decade.

## MPs told of £50m wasted subsidies

By Hugh Clayton, Agriculture Correspondent

Subsidies of almost £50m used by the EEC to induce British farmers to stop producing milk appear to have been wasted, Sir Brian Hayes, Permanent Secretary at the Ministry of Agriculture, said yesterday.

Their effect had been to reward farmers for making changes to their businesses that they intended to make anyway.

The government estimates that the EEC will spend a further £15m in Britain this year on the subsidies, which are worth up to £700 a cow.

Sir Brian told the Commons Select Committee on Agriculture that the scheme had failed to meet its target of curbing the Community's milk surplus.

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The three-and-a-half-year qualifying period for subsidy applications has just ended, and subsidies have been paid on 298,000 dairy cows in Britain. Money is still being paid because the cash is issued to farmers in three instalments after the Government has checked that they have not sold milk in the subsidy period.

The number of British dairy farmers has been falling for more than twenty years. In the three years before the EEC subsidies began, the total dropped by just over 10 per cent to 69,000.

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## New groups threaten democracy in Spain

From Richard Wigg  
Madrid, June 11

The emotive word *desencanto* (disenchantment) is being heard once again in Spain. But this time it is not being used as a weapon of psychological warfare against one politician, as it was to oust Señor Adolfo Suárez from the post of Prime Minister earlier this year, but against the country's main political parties.

Señor Antonio Garrigues Walker, one of Spain's best known businessmen, has just resigned from the *entrepreneurs' organisation* he has devoted himself to his "Liberal Clubs" movement. A group of other public figures headed by Señor Ramón Tamames, the distinguished economist who has just broken with the Communist Party after more than two decades in its ranks, is about to launch a self-styled "Foundation for Progress and Democracy."

The chief reason for the appearance of these movements now is the delicate position Spanish democracy finds itself in since February's failed military coup. Another reason is that the general election which must be held by the spring of 1983 is already casting its shadow over the political scene.

The two principal parties—the ruling centre-right Democratic Union (UCD) and the Socialists—have quickly expressed their disapproval of the clubs. The parties' motivations for their unease are different. The Socialists, according to recent public opinion polls, could get as much as 40 per cent of the popular vote and win power. They therefore do not want any movements that could damage their prospects.

The UCD, frightened by the polls' verdict that it may only obtain 25 per cent of the vote, suspect Señor Garrigues' Liberal Clubs as signalling the thumbs-down for the party.

Señor Leopoldo Calvo Sotelo, the Prime Minister, has been forced to join in the debate, declaring last weekend his determination that there should be no early general election. He insisted that the UCD continued to be a centre party obtaining votes from all social groups, notwithstanding his personal image as a conservative.

The Prime Minister's difficulty is that the UCD is deeply divided over how to respond to the pollsters' warning, accepted as correct in banking and business circles. Señor Miguel Herrero, the leader of the UCD's parliamentary party, today repeated his criticism of Señor Calvo Sotelo's statement, for a broad-based moderate party of the right representing, and responding to, interests similar to the Christian Democrats in West Germany or the Conservatives in Britain.

The main political parties have undoubtedly suffered a shock from last February's seizure of Parliament. But what is really disturbing about the clubs and foundations is that they recall the collapse of the Franco regime, when political parties were banned instead of responding to today's flourishing democracy in Spain.

## US rejects Greek arms plea

From Mario Modiano  
Athens, June 11

The Americans have turned down the Greek request for a grant of sophisticated military equipment as a bonus for allowing the United States to continue using military facilities in Greece.

This could lead to a breakdown of the negotiations unless the Government can induce the Greek military to withdraw this demand, which is over and above the ordinary American military aid.

The American reaction was communicated to the Greek Government by way of letters from the American Secretaries of State and Defence to the Greek colleagues explaining the reasons for Washington's inflexibility on this matter.

Sources close to the negotiations pointed out the contradiction of the position of the Greeks, who have obtained adequate assurances for balanced grants of American military assistance to Greece and Turkey, promptly tried to upset this balance.

The value of the extra list of equipment wanted by Athens is estimated at between \$200m and \$300m (£100m and £150m). American sources indicated that the negotiating process was still continuing to resolve several remaining outstanding issues. But the final Greek reply on the key until the would have to await until the return of Mr. Constantine Mitsotakis, the Greek Foreign Minister, who is due to return on Friday night from a visit to Warsaw.

The Greek Government has told the American Embassy that if the negotiations, now in their fifth month, are not wound up by next Monday, there will be no time left for ratification of the agreement before the Parliament's summer recess.

## DALSAGER OUT OF HOSPITAL

Copenhagen, June 11—Mr Paul Dalsager, the Danish European Commissioner for Agriculture, was discharged from hospital in Hjørring, Jutland, today after treatment for a heart condition, doctors said. He had a mild coronary attack on May 29 (Christopher Follett writes).

Mr Dalsager is to take a month's holiday before resuming his post in early August.

## Mitterrand side may rely on voters' euphoria

From Charles Hargrove, Paris, June 11

When a majority of French voters elected M. François Mitterrand as President of the Republic, the supreme office in the Fifth Republic, was, for the first time in 23 years, conquered by the left. And for the first time in 45 years, since the Popular Front Government of the left is in power in the country.

But despite the preeminence of the President in what has been called the "republican monarchy" instituted by General de Gaulle, it will not be in undivided power unless the same clear majority confirms the choice in the parliamentary election on June 14 and 21.

That election will show whether the 4 per cent of the electorate who tipped the scales a month ago really voted for Mitterrand and for a policy of social democratic change, or whether they gave expression to a widespread sentiment of rejection towards M. Giscard d'Estaing's style of government and his policies.

"There is no Socialist tide in France," M. Jacques Chirac, the Gaullist leader, proclaims. "There is a desire for change. Now that the principle has been achieved, the problem is to set out clearly its contents and its limits."

If M. Chirac is right, French voters should return the old Gaullist and Giscardian majority, to set back on a Socialist Government.

But that is not the way things look within three days of the first round of voting. The outgoing majority has against it both the mood of the country and the logic of the institutions of the Fifth Republic. The mood of the country as confirmed by political analysts and opinion polls, remains euphorically optimistic, after two weeks of government which the Socialists have put to rest electoral uneasiness by distributing favours to the lowest paid workers, farmers, pensioners, young married couples and the handicapped.

The right-wing *Figaro Magazine* noted in a leading article in its latest issue that "Frenchmen have put on rose-coloured spectacles to con-

template reality and its sombre prospects... They are demonstrating a wonderful capacity to dream."

The threat to the franc and the drastic fall in French share prices on the Paris Bourse, have not apparently affected it. The standing in public opinion of President Mitterrand and M. Pierre Mauroy, the Prime Minister, reaches unprecedented heights.

Even lesser known and more controversial Socialist leaders, like M. Lionel Jospin, the first secretary of the party, and M. Jean-Pierre Chevènement, the leader of its left-wing, achieve bewildering scores in the popularity stakes.

It is almost too good to be true, and certainly too good to last. But there is no sign that the French voters will wake up from this dream in time to reverse or even to qualify the choice which they made a month ago.

However relative the power of the National Assembly, a right-wing majority could block the social change decided by a Socialist President, and refuse to provide the means to finance them, not to mention the controversial undertaking of extending the nationalised sector.

It would also threaten to produce a constitutional crisis. That is why M. Mitterrand two days ago called upon the voters to give him the means to carry out the policy for which he had been elected.

A simple transposition of the results of the presidential elections to the parliamentary elections would give the left—Socialists and Communists combined—308 seats out of 491. But the election is whether the loss by the Communists of more than one million votes on April 26 constitutes a permanent factor or merely a temporary setback.

If the Communists recover 2 or 3 per cent of their lost votes, this could tip the scales back in favour of the outgoing majority, because the switch by Socialist voters to a Communist candidate in the second round is always much more arduous than the other way round.

## Italian Republican leader begins coalition talks

From Peter Nichols, Rome, June 11

Senator Giovanni Spadolini tonight began consultations to accept the need for change because of the Masonic scandal which brought down the last Government and prevented Signor Forlani from forming another one.

To go now might suggest to the Christian Democrats that the party leadership is accepting some degree of guilt. Senator Spadolini, however, went out of his way today to speak highly of his predecessor and at least on the Christian Democrats' left there are signs that the door is not totally shut to a change.

The Socialists say that they will support Senator Spadolini, and the Communists issued a statement today asserting that a genuine change would require their presence in government. But they were ready to do their part, even if from opposition, to permit an immediate improvement in the political and moral climate.

They also offer him some sage advice: how to set about reviving constitutional proprieties "beginning with the exercise of the powers granted to the prime minister for choosing his ministers outside the traditional and inadmissible interference from party secretaries and factions."

One of the casualties of the political confusion is Mr Zenko Suzuki, the Japanese Prime Minister. He arrived today on his European tour. He is meeting Italian politicians; but he cannot, of course, discuss specific business because the ministries are in the hands of caretakers.

The Japanese had placed much importance on the visit and had gone to great pains in preparing it. The political aspect of the visit at a time when the Japanese are looking for a closure in Europe was regarded as of primary interest.

At the moment, they might find it still more difficult to accept the need for change because of the Masonic scandal which brought down the last Government and prevented Signor Forlani from forming another one.

Senator Spadolini: Support from Socialists

## CDU MAYOR ELECTED IN BERLIN

From Our Own Correspondent  
Bonn, June 11

Herr Richard von Weizsäcker, a Christian Democrat, was today elected Chief Burgomaster of West Berlin with the help of rebel Free Democrats in a vote which many Free Democrats fear will pave the way for a Christian Democrat-Free Democrat coalition in Bonn.

Herr von Weizsäcker whose party came two seats short of an absolute majority in last month's city elections, will head a minority government supported from outside by five Free Democrats.

The five defied their local party congress which had decided not to collaborate with the Christian Democrats in any way. Many suspect that support would eventually lead to a full coalition which would be the thin end of the wedge for a similar alliance in national politics.

Herr von Weizsäcker thus became the first Christian Democrat Chief Burgomaster of the city for 26 years.

## REPRISALS IN RED BRIGADES

From Our Own Correspondent  
Rome, June 11

The Red Brigades terrorist movement today claimed to have kidnapped Signor Roberto Pecci, a young man missing from his home last night in San Benedetto del Tronto.

The man is the brother of the first leading member of the left-wing terrorist group to cooperate with investigators after his capture, and this is the first use of reprisal against a member of the family of one of their number who confesses to a qualitative change in the behaviour of the terrorists.

Signor Patrizio Pecci, the arrested terrorist, gave evidence which led to the arrest of several members of the Red Brigades operating in Piedmont. He was held in February of last year and in the following April began his series of confessions.

He was the first leading member of the Red Brigades to confess. He said that he was the head of the Turin column and belonged to the strategic command of the movement.



M. Jacques Chirac shakes hands with supporters before a rally in Châlons-sur-Marne yesterday.

## Chirac tells rally that France is awakening

From Ian Murray, Châlons-sur-Marne, June 11

For an hour before the two white Mystère aircraft came screaming in from the south, M. Roger Mambour had been nervously dusting his shoes with his increasingly dirty handkerchief, and tugging at the front of his sky-blue waistcoat.

He was proud and happy because, as one of the volunteer security men for the Gaullist RPR movement in the area, he was about to meet M. Jacques Chirac, his party leader and idol. With leaders of the RPR from the Marne department he had driven in a fleet of shiny cars to the small airport to collect M. Chirac.

Untypically, "le bulldozer," as M. Chirac is affectionately known, was late. That, M. Mambour said, was a thing he had grown to expect from President Mitterrand, but "le bulldozer" usually ran just like a machine.

He was late because he was tired. It has been a long, hard campaign, even by M. Chirac's exhausting standards. He had gone to bed in Lyons at 1.30 am, having stopped for meetings, rallies, speeches and innumerable handshakes in 10 cities and towns since leaving Dieppe early the previous morning.

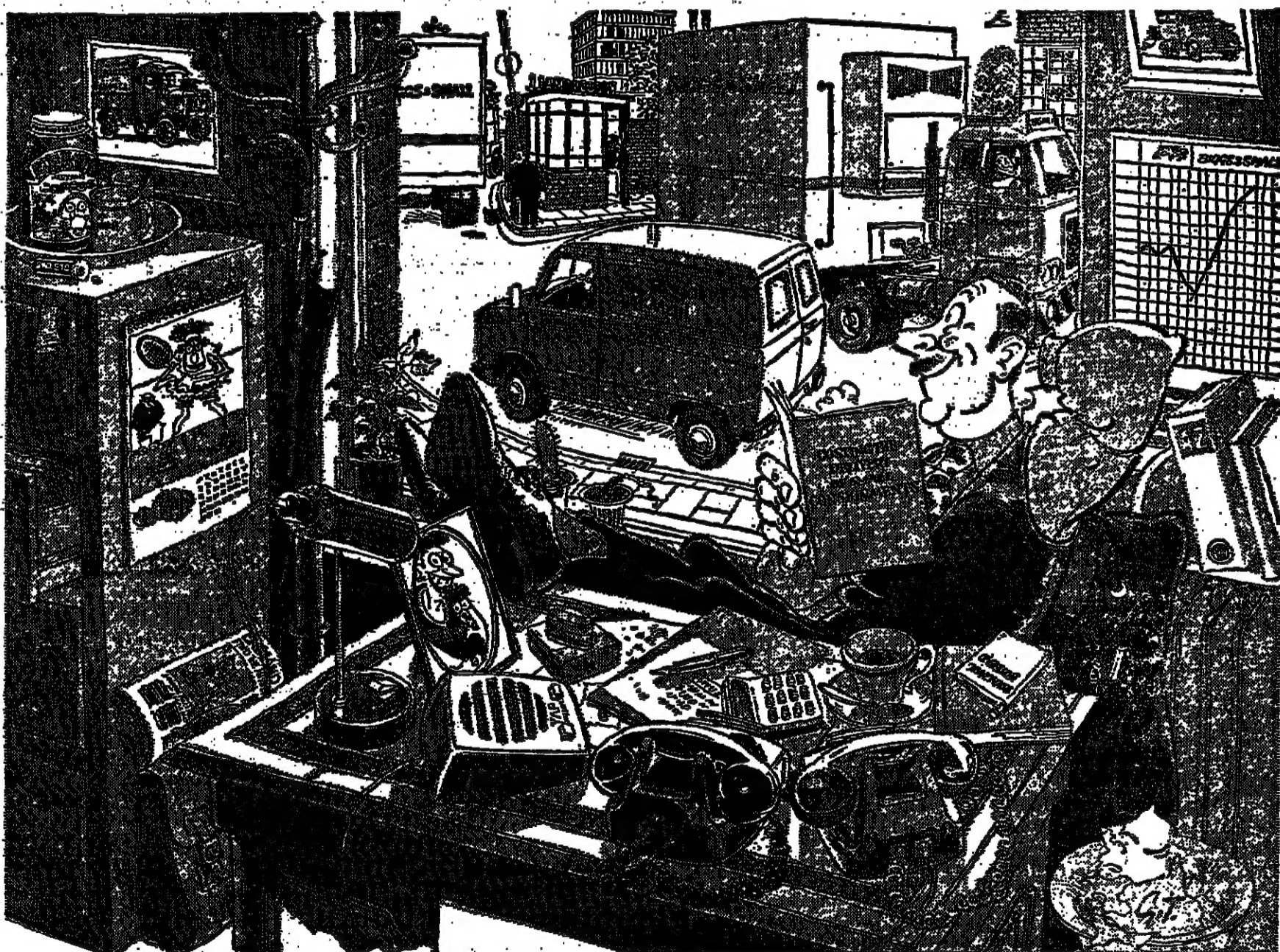
By the time the two executive jets flew in M. Mambour had almost had time to clean off the black oil engrained into his finger tips during his daily work as a mechanic.

M. Chirac quickly entered his car, after having run back to the aircraft to collect something he had forgotten. The fleet of cars then sped off to Châlons-sur-Marne with a cavalier disregard for speed limits. A hundred yards from the meeting hall, the cars screeched to a halt to let M. Chirac out to greet the crowd which had been patiently waiting for him.

He seemed to pull himself through the crowd with handshakes, acknowledging the claps and cheers and bearing wider than ever as the chant of "Chirac, Chirac" rang out. In Châlons today he said that it had all been worth while. He had noticed that France was waking up. It had realized that Sunday's election was the most important in the history of the Fifth Republic. "Our citizens are opening their eyes and do not like what they see," he said.

The packed audience in Châlons, on the other hand, liked what it saw. It cheered M. Chirac to the echo. It was an audience of all ages and both sexes.

Debate on the constitutional resolution is now suspended in both houses until after the Supreme Court of Canada rules on its legality, which has been challenged by eight of Canada's 10 provinces.



## Good news for Transport Managers! Small orders can be profitable.

If you run a delivery fleet, you already know how uneconomic small consignments can be—especially those for out-of-the-way places. Yet, in today's economic climate, the proportion of small orders may well be on the increase.

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At a time when delivery costs for small orders deserve close examination, especially since the recent increase in fuel prices, this authoritative paper

discusses among other things the profit potential of small orders to the business as a whole. It indicates clearly that rising costs can be contained, volume maintained and unprofitable deliveries made profitable by switching small consignments to the Royal Mail Parcel Service.

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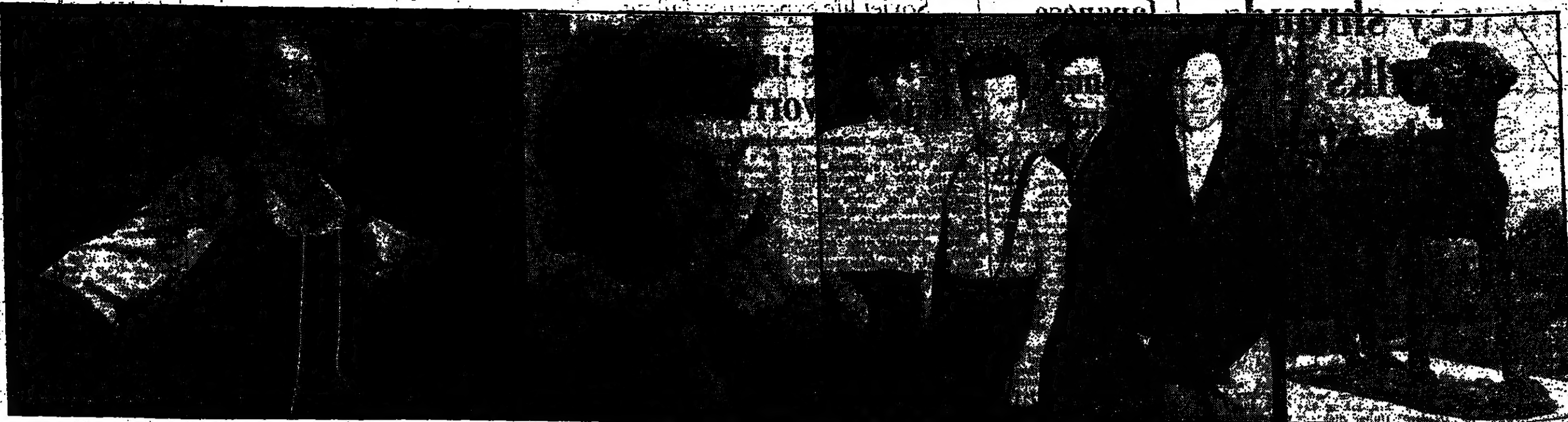












Katia Ricciarelli in the title role of "Luisa Miller"

Gordon John Sinclair: "Gregory's Girl" star

Ultravox: Eurocentric synthesizer music

Elizabeth Frick's bronze "Turning Dog"

## The Times critics' guide to the week's entertainment

Our regular critics provide a short list of recommended entertainments, outings and reading for the coming week

### Theatre

Irving Wardle

**Goose Pimples:** A clean sweep of the downtown consumer population, in the form of a ghastly dinner party for car salesmen and a non-English speaking Sandi (Anthony Sher) who mistakes the venue for a brothel. As improvised by Mike Leigh's company, the piece may arouse inverse sub reactions, but you cannot argue against acting as good as this. (Garrick, 836 4601)

**Cats:** Shmaltzy, growling, and other famed felines from T.S. Eliot's collection, released into a cats' adventure playground for a night out involving every theatrical skill from blues-singing and conjuring to Chinese opera. Trevor Nunn and Andrew Lloyd Webber have failed in their attempt to devise a story line, but the stage effects and dance are terrific. (New London, 405 0072)

**Britannicus:** A gallant near-success in anglicizing Racine's political masterpiece, with a ferocious central battle between Jonathan Kent's Nero and Siobhan McKenna as his equally blood-glutted mother. Some of the modern detail grates, but this is a worthy successor to the director, Christopher Fettes, acclaimed for *Pastorals*. (Lyric Studio, Hammersmith, 741 2311)

**Serjeant Musgrave's Dance:** A faithfully well-timed revival of John Arden's fable of colonial warfare. A good company, led by John Thew, and Peter Hawtwell's superb designs throw the play's narrative strength and poetic weakness into illuminating relief. (Cottesloe, 928 2252)

**Nicholas Nickleby:** The Royal Shakespeare Company's epic affirmation of the supposedly defunct British script. A festive convergence of theatre skills, including a script (David Edgar) that raises the craft of adaptation level with that of original composition, and the best acting now to be seen in England. Sold out, but a few returned tickets may be available from the box office. (Aldwych, 836 5332)

**Having a Ball:** London's first taste of the rudely robust repertoire of the Oldham Coliseum. Alan Hinesdale's wacky story does not span the gap from potency gaps to nuclear doomwatching, but the jokes are good and so are the cast, with notably high-pressure performances from Philip Donaghy and Julie Walters. (Lyric, Hammersmith, 741 8674)

**Waiting for Godot:** Another fine transfer from the Manchester Theatre. A searchingly articulate production by Braham Murray framing the comic partnership of Max Wall and Trevor Peacock, who achieve the funniest Beckett performance yet seen in London, or probably anywhere else. (Round House, Chalk Farm, 267 2564)

**Fringe/Ned Chaillet:** Metaphysics and Strip: Andrew Dallmeyer always purveys an eccentric blend of comedy. His

present late-night offering at New End was a salutary boost to a recent Edinburgh Festival, pitting droll philosophy against the distractions of a striptease. His quirky humour can be more seductive than the strip. All next week at 10.30 pm. Theatre at New End, Hampstead, London NW3 (794 0236)

**The Worlds:** Edward Bond's play received some acclaim in its student premiere in Newcastle a while back, but the piece was barred from its London opening with the Royal Court's young people's company. There will be a chance to say something about the professional production next week. New Half Moon, Mile End Road, London E1 (790 4000)

**These Men:** Mayo Simon offers a male-eye view of two sexy women sharing a day in Los Angeles house. He is not kind to mankind, but provides rich parts for two excellent actresses who nearly learn how to do without men. Bush Theatre, Shepherd's Bush Green, London W12 (743 3388)

**Passing Through:** The play which won first prize in the 1980 London Play Awards, sponsored by Capital Radio and the Greater London Arts Association, receives its first production by the Six of One Company at the Upstream Theatre. John Petherbridge

**Max Wall: still waiting for Godot**  
writes about an invented London refuge for battered women, after three years of working in real refuges. Until June 27, Upstream Theatre Club, South Street, Waterloo, London SE1 (928 5394)

**Booking opens...**  
The National Theatre  
Personal booking for July opens on June 20. Personal booking from July 25.  
**Oliver:** The Shoemakers' Holiday by Thomas Dekker. A Month in the Country by Ivan Turgenev. Man and Superman by G.B. Shaw. The Life of Galileo by B. Brecht. **Leslie:** The Affair of Virginia Woolf by E. Albee. **The Caretaker** by Harold Pinter. Measure for Measure. **Cottesloe:** One Woman Plays by Dario Fo and Franca Rame. Don Juan by Molière.

**Ballet**  
John Percival

**Coliseum:** This weekend is the Stuttgart Ballet's last programme. It includes a Cranko ballet never seen here before, *Presence*, and another work new to London, *Ilia*. Kylian's *Return to the Struggle* and the last of Stuttgart's last New York season, also Glen Teale's *Rite of Spring* with Richard Cragun (June 12, 13) and Christopher Bourneville (June 13-matinee) in the lead.

**The Nureyev Festival** opens at the Coliseum on Monday, with Nureyev dancing every performance. For the first week, he appears in Festival Ballet's *Giselle*, probably with at least two ballerinas alternating in the title part, Evia Brudskina and Evelyn Desautels. (836 3161)

**Sadler's Wells:** Merce Cunningham's marvelous troupe of dancers, in a repertoire combining fascinating choreography, avant garde music and fine design, are in London for two more weeks. Company is for you—but they end on Sunday, so hurry. (748 3854)

**Almeida:** Something also off the beaten track. The German dance-choreographer Reinhild Hoffman dances a solo evening at the new Almeida Theatre, 1 Almeida Street, Islington (June 15-17). Her *Solo with Sofa* is extraordinary. (359 4404)

**The Big Top, Cambridge:** Sadler's Wells Royal Ballet leaves Covent Garden (you can still catch a couple till tonight, or an interesting young cast in *Two Pigeons* tomorrow afternoon) to open a three-week season in their specially adapted circus tent, erected on Jesus Green. Its splendid big stage will house two programmes each week, starting with David Bintley's *Polonia* and Peter Wright's *Giselle* (June 15-17); then *Les Sylphides*, *Checkmate* and *Day into Night* (June 18-20). (0223 316313)

### Opera

John Higgins

**Aldeburgh:** The festival opens tonight with a new production by Christopher Renshaw of Benjamin Britten's *The Prodigal Son*, using the original texts by Colin Graham. The cast includes Kenneth Bowers and Thomas Hemsley. For other festival performances see Concerts. (072 885 2935)

**Covent Garden:** *Madam Butterfly* returns to the repertoire with a cast of principals entirely new to the opera in London. Raina Kabaivanska sings the title role; Dennis O'Neill, a fine Alfredo in Spanish Opera's *Traviata* earlier in the year, is the Pinkerton, and Leo Nucci, Sharpless. Nucci has a busy week, he is also in the performances of *Luisa Miller*, in which Jose Carreras takes over the role of Rodolfo from Carlo Bergonzi. (240 1066)

**English National Opera:** North, Grand Theatre, Leeds: There is a new production by Steven Amblott of *Les Troyens* tomorrow night, with Sally Burgess as Agathe and Robert Ferguson as Max. It plays in repertoire next week with *Don Giovanni* and *The Barber of Seville*. Thereafter ENO move off to Oxford. (0532 459351)

**Glyndebourne:** *The Barber and the Nozze di Figaro* continue to run in repertoire with the original casts, but Eliza Howarth is now sharing the conducting of Rossini's comic opera with Sylvia Crambling. (0223 812411)

**Concerts**  
William Mann

**Aldeburgh Festival** begins today and runs until June 28, with a full schedule every day. Among particularly attractive concerts during the coming week are tomorrow afternoon's recital at Orford Church by Orford String Quartet who come, however, from Orford in Canada, sent by the Canadian Aldeburgh Foundation to the Suffolk festival founded 33 years ago by Benjamin Britten. They will play Haydn, Beethoven and the exquisitely beautiful quartet by Ludovico.

On Sunday evening, at Snape Maltings, there are two concerts, with Geoffrey Parsons, singing Schubert, Wolf, Strauss and, especially apt for this Romanian soprano's artistry, Debussy's *Ariettes oubliées*. On Monday at Snape, Murray Perahia plays two Mozart piano concertos, K271 and K593, with the ECO, who complete the programme with the E flat Wind Serenade K375.

There are two eighteenth birthday tributes next week in Aldeburgh's Jubilee Hall, on Wednesday evening to Aaron Copland (a piano recital by Leo Smit), on Thursday at noon to Alan Bush who himself takes part as pianist in his own works, which include a new concerto piano obbligato as well as a Whipsnade Zoo, six magazines, meetings, films and talks by the head keepers and access either in person or by letter to a department which deals with all manner of questions. Inquiring children may pose. For example: Why are all those dead baby chickens and mice in with that horrid snake, Johnny? Over to you, zoo. To join, write to: Young Zoologists Club, London NW1 4RY (722 3333).

**Sheffield Craftsman's Fair:** If it lives up to its programme and reputation, this will be one of the most fascinating fairs of the year. Among the craftsmen at work every day are spinners, weavers, glass-blowers, puppet makers and model soldier makers, potters, woodcarvers, silver and black smiths: one of only three hand cloth-makers in Britain and a

Quarter give the first four recitals devoted to string quartets by Haydn, Mozart and Robert Simpson—enterprising choice. On Thursday in Egham Palace the Irish mezzo Bernadette Greedy begins her recital with Handel and ends with a generous anthology of songs from her homeland (854 8888, extension 2314).

**Central London:** Seiji Ozawa conducts the Philharmonia Orchestra twice: on Tuesday (RFR, 928 3181) Tchaikovsky's *Romeo and Juliet*, plus Prokofiev's third piano concerto with soloist Tso Pogoalich, copiously discussed newcomer from Yugoslavia. On Thursday (RFR) Garrick Oskson plays Beethoven's third piano concerto, and Ozawa conducts Berlioz's *Fantastic Symphony*. Andre Previn twice conducts the LSO (RFR), on Sunday in a delectable all-Ravel programme: on Thursday in Strauss's magnificent *Heldentenor* and Shostakovich's first cello concerto with Yo Yo Ma, plus more Ravel.

### Jazz/Rock

Richard Williams

**Tete Montoliu/Ernestine Anderson:** A blind Catalan who served a long apprenticeship behind various touring American stars, Montoliu plays piano like the perfect cross between Art Tatum and Bud Powell, but with Erroll Garner's joie de vivre in place of Powell's tragedy. Miss Anderson counters through the songs that cater-chub music is like to be, in the open air, June 13, 2 pm-10 pm, Walsall Football Club, Fellows Park, Walsall. Toots and the Maytals also appear on June 17 and 18 at the Venue, 160-162 Victoria Street, London SW1 (825 9941/2/3).

**Kraftwerk:** On the evidence of their new album, *Computer World*, the inventors of electronic dance-rock are still as good as yesterday's experts. June 16, 8 pm, Glasgow (043-332 6028). June 17 and 18, Playhouse, Edinburgh (881-557 2590).

**Booking opens...**  
Randy Crawford: Since her cameo appearance on the *Crossroads* Street Life, Miss Crawford has proved herself the most gifted female soul singer to appear in many years. Her first tour takes in the Odeon, Birmingham (July 2), the Dome, Brighton (July 3), Colston Hall, Bristol (4), Fairfield Hall, Croydon (5), Apollo, Manchester (7), and the Dominion, London (8 and 9).

**Films**  
David Robinson

**Kagemusha:** Kurosawa's epic has to be seen, but try to catch it at a cinema where the projection and sound facilities are as good as the film's spectacle. The sixteenth century tale of a criminal who becomes the warrior's official double and assumes his master's nobility of soul as well as the physical likeness, rises to tragic grandeur. (Gate Mayfair, 493 2031, 21, Film Theatre and selective release).

**The Long Good Friday:** John Mackenzie's sharp and finely acted thriller, owing much to

Joseph Bowie, brother of the Art Ensemble of Chicago's Lester Bowie. Their recent debut LP seemed to concentrate on a scathing irony in both lyrics and delivery, sometimes at the expense of actual musical ideas, but their live performances are said to be riotous. (June 13, The Venue, 160-162 Victoria Street, London SW1 (825 9941/2/3)).

**UB40/Toots and the Maytals:** Gang of Four: Two young rock bands firmly linked (but in very different ways) with reggae music. Toots, one of the finest Jamaican singers, in the open air, June 13, 2 pm-10 pm, Walsall Football Club, Fellows Park, Walsall. Toots and the Maytals also appear on June 17 and 18 at the Venue, 160-162 Victoria Street, London SW1 (825 9941/2/3).

**The Sound:** Just about the most thoughtful of the recent gang of British post-punk rockers. The Sound have a perfect anthem for the revived CND movement in Adrian Borland's "Missiles" and a classic rock song regardless of category in "Heartland". (June 14, Heaven, The Arches, Villiers Street, London WC2. 539 3852)

**Gregory's Girl:** The funniest film in London: Bill Forsyth's genial picture of the pains, preoccupations and loopy pleasures of adolescence. A huge comic talent comes together with an irresistible young cast. (Screen on the Green, Islington, 226 3320; Ritz, Brixton, 737 2121).

**Napoleon:** Tomorrow is one of the few out-of-town dates for Abel Gance's restored epic—without Carl Davis's orchestral accompaniment, alas, but with a brave piano marathon by Andrew Yorkell. (Theatre City, Mold, Chyrd, 0352 55114).

**That Shining Feeling:** This would be the funniest film in London if Gregory's Girl were not. Bill Forsyth's marvellous young Glasgow comedians play the (in some cases real-life) roles of young unemployed who meet the female nude and photograph her, pulling off an ill-advised heist of stainless steel sinks. (ICA, 930-2647)

**Last chances**  
Louis Malle's sweet-sour *Atlantic City* (Cinema, 499 3737), *Andromeda* (Academy 2, 437-2581) and *Andrézej Wajda's Rough Treatment* (Camden Place, 485 2443) close on Wednesday.

**Family outings**  
Judy Froshaug

**London Zoo:** Chis-Chis may be back in town, but it may take more than his admittedly great appeal to attract people to Regent's Park this year. With family groups specifically in mind, there are two free guided tours a day—one of the Aquarium (11 am, main gate) and one of the big mammals, including Chis-Chis (2 pm, main gate).

Forward-thinking parents and children might take note of the Young Zoologists Club, annual membership £2.50, which is excellent value: six free visits a year to London or Whipsnade Zoo, six magazines, meetings, films and talks by the head keepers and access either in person or by letter to a department which deals with all manner of questions. Inquiring children may pose. For example: Why are all those dead baby chickens and mice in with that horrid snake, Johnny? Over to you, zoo. To join, write to: Young Zoologists Club, London NW1 4RY (722 3333).

**Royal College of Art Degree Show:** A chance for tomorrow's aspiring designers, illustrators, photographers and their parents to see what the cream of today's graduates have achieved. Open today and until June 21, weekdays 10 am-7 pm, weekends 10 am-6 pm. Admission free. RCA, Kensington Gore, London, SW7.

**Early Summer Flower Show:** Specialist nurseries—not your average nursery—display stock and take orders. There are competitions, and RHS staff will tell you why your hedge died and your clematis is wilting (take samples). Children of non-destructive nature welcome. June 15, 11 am-6 pm, June 17, 10 am-5 pm. Royal Horticultural Hall, Vincent Square, London, SW1.

**The Poly Marathon:** The oldest of the British marathon races (the first took place in 1909) starts in Long Walk, in the grounds of Windsor Castle, and finishes at the Windsor Athletic Club ground, near Vauxhall Road. The 600 or so competitors will set off at 2.15 pm, and the first runners are expected as the finishing line about two hours and 15 minutes later, its location has given the Poly its reputation as an enjoyable event for spectators. June 13.

**Museum of Childhood:** For small boys and girls who love cutting out and an exhibition of paper toys and models opens on June 17. It looks back as far as the early nineteenth century, when hand-printed cut-outs were first used, and

Berry. Kestie's admirable script, is one of the periodic gleams of hope in British films. Bob Hoskins's London gang boss, whose ideal capitalist criminal organisation is suddenly threatened by unknown but lethal enemies, is a fine character creation. (Faza, 437 1234)

**Less:** With extraordinary agreement inhibiting his entry to Britain, Roman Polanski made a virtue of necessity, using the landscape of Brittany to create an ideal Wessex. The best attempt yet at Hardy's tragically fatalistic world, the film has an intelligent script and good cast. (Empire, 437 1234)

**The Europeans:** Revival of James Ivory's elegant and sophisticated reading of Henry James, revived by Kenneth Branagh. In the interesting cast are Lee Remick, Robin Ellis and Tim Woodward.

**Other People's Radio:** The first of four weekly 15-minute documentaries, uncommon because they feature radio looking at itself, or more precisely what other people get out of their loudspeakers. Libby Purves leads off this week with a selection of the world's early morning radio. No doubt the hope is that we shall end up duly thankful for what we receive, but there should be some amusement on the way. (Radio 4, June 16 at 9.02 pm. Repeated June 16 at 3.02 pm and weekly thereafter)

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### Radio

David Wade

**No Minister:** The title alone should be a draw for this new six-part series, presented by Hugo Young of *The Sunday Times*, who hopes to get behind the stereotypes of the Civil Service as now epitomized by Nigel Hawthorne and Co. Cabinet ministers past and present will give the game away—and so, for the first time ever, it is said, will serving civil servants. Nothing if not timely. (Radio 4, June 14 and for the five weeks following at 7 pm)

**A Hance to the Music of Time:** Continuing Frederick Bradburn's adaptation of Anthony Powell's cycle, we begin now with *The Valley of the Bones*. Bradburn's treatment of the first three novels captured very nicely the style and atmosphere of the originals; there's good reason to expect that he will do it again. (Radio 4, June 14 at 9.02 pm. Repeated June 16 at 3.02 pm and weekly thereafter)

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### Books

Philip Howard

**Published this week**  
Charles Channing's *Challenges on the Pathway to the Throne* by Cive James with illustrations by Marc (Cape, £4.95): Readers of *The Times* have seen extracts from Cive James's royal comic in rhyming couplets. Alexander Pope he is not, having no ear for prosody, but about every 10 lines there is a clever jape which is not quite often enough. No need to commend the sharpness of Marc's cartoons to you, dear readers.

**Monty: The Making of a General, 1897-1942** by Nigel Hamilton (Hamish, £10.95): Massive official biography of Britain's most successful and most difficult general this century, based on the great mass of Monty's private papers. In the Books Page of *The Times* yesterday Ronald Lewin, our military reviewer and author himself of authoritative books about both Montgomery and Rommel, judged it to be the most accurate, the most explicit, and by far the most illuminating of books about Monty.

**The Queen Mother by Elizabeth Longford** (Weidenfeld & Nicolson, £7.95): Informal biography of the most popular Queen consort in our history by our surrogate Queen Mother of literature. In *The Times* yesterday John Hadden judged that it does not approach the scale and thoughtfulness of Lady Longford's earlier biographies, but that no one can be better qualified to chronicle the life and times of Queen Elizabeth.

**Liberty's Daughters: The Revolutionary Experience of American Women, 1780-1800** by Mary Beth Norton (Hutchinson, £8.95): Using the private papers of 450 American families, the lives of colonial women are revealed in their own words, their hard lives of poverty and the death of children, their place in society, and their emergence into public life.

**Russia Perceived: A Trans-Siberian Journey** by Elizabeth Pond (Gollancz, £9.95): From the spot where Vronsky met Anna Karenina, the author (a correspondent for the *Christian Science Monitor*) sets off across Russia by train, sharing with three Russians (grandmother, mother and daughter), mixing an account of the journey with her own observations of the people, their history and literature.

**Events**  
Barnes Book Bonanza: At Barnesley Town Hall tonight Sir Roy Shaw, Secretary, General of the Arts Council, will announce the winners of this year's Yorkshire Arts Literary Awards, which are given every two years to focus attention on the best creative work about Yorkshire, or by authors who live and work in the region. Previous winners include Philip Larkin, Pamela Haines, Barry Collier, and R.C. Scriven.

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## Hobbling back into action

I walked 30 feet the other day and felt much as I did on learning to ride a bicycle at the age of eight. Then it was my father, who anxiously chased the wobbling saddle of my scarier Hercules down the road in rural mid-Wales. Now it was a staff nurse in loco parentis who nervously followed me in the hospital ward as I thumped down my crutches on the polished linoleum.

After six weeks in traction flat on my back with my broken leg in a sling, the doctors at Westminster Hospital had started phase two of my return to the perpendicular. First they cut me loose from the cobweb of cords and pulleys and encased my limb in plaster, one length above the knee and another below stretching down to my toes—with a plastic hinge to join them. Next they handed me a pair of crutches, and finally they sent me home.

Not that they sent me home without careful tuition. A physiotherapist brightly showed me how to ascend and descend a flight of steps in the hospital gym without even using the banisters. In fact after one week down the staircase at home I have opted for a kind of abseiling technique on my bottom.

The past few weeks have taught me the art of what Stephen Potter might have called One Downmanship. An important lesson has been in the wisdom of making lists of all that you need to have done by the next person foolish enough to wander into your room. "Oh while you are here I wonder if you would mind..." that sort of thing. The frustration of finding after his/her departure that you still need the curtains drawn, the television switched on or your ballpoint retrieved from the floor is almost unbearable.

Chairs are now placed around the house at strategic points, beside the washbasin, a window or the telephone, marking my progress as I stump from room to room like an erect from Hammer films crusing stray subtitled players under my foot. I have found out how to dress and undress, pulling trousers round the heel of my plastered foot with the help of a crutch and a curse or two. I carry notebooks around in my teeth and have developed a sense of balance that is almost balistic.

In a previous article which I wrote from my orthopaedic bed several weeks ago I praised the National Health Service and the kindness and efficiency of the hospital staff. I subsequently received a heavy mailbag from readers who had undergone a similar experience. Most were in agreement, but some complained that I must have been in the first euphoria of hospitalisation when one's near-total helplessness pushes all other cares out of the window and induces a kind of relaxation.

My appreciation of the service I received was unaltered. Nurses particularly were so ungrudging in their attention throughout what must have been a long and exhausting day. Florence Nightingale would have been proud of them.

It is also true, however, that there is a kind of novelty about being in hospital which like all novelties, wears off after a while. My visitors were generous, and unstinting with their time. I ended with a drawer full of paperbacks and my byline *apollonian contrabasso*. A colleague brought me a set of Scrabble, and television was a powerful narcotic.

My hospital experience was relatively short. In four weeks time I am due to have my plaster removed before moving to a three-day physiotherapy phase three of my recuperation. One enduring gift I brought away from hospital was a deeper sympathy and respect for those who lie in bed for months, for years and may be forever.

This, after all, is supposed to be their year.

Henry Stanhope

## Is Billingsgate in danger of melting down?

Dreadful though the London climate may be, you would hardly expect to encounter permafrost. But I am told it is there, up to 4ft deep, beneath the cold stone at Billingsgate fish market in the City.

It is causing interest because the market is to move to new premises in Wapping at the end of the year. The antiquated refrigeration machinery will then be removed and some people believe that, once the frost is allowed to melt, the building will fall down.

That would be a catastrophe for those who have spent years of their lives at the fish market. The Corporation, persuaded by Mr Michael Heseltine, the Environment Secretary, to list the building as a historic and architectural interest, thus allegedly reducing its attraction to developers.

The whole site, including the adjoining lorry park, is now up for sale. The Corporation will not say how many bids it has received until the closing date for tenders on August 28, but expects a fetch between £5m and £10m, its confidence is such that yesterday it agreed to contribute £150,000 towards the cost of a nine-month archaeological dig, which will begin early next year and which is expected to disclose important Roman remains.

Before putting the site up for

sale, it did commission a survey from a firm of civil engineers to determine what effect, if any, the melting permafrost might have. Prospective purchasers may inspect the survey for a fee of £20, but it is being kept secret from the rest of us.

There is a sneaking suspicion among conservationists that it is all part of a scare story put out by the Corporation itself in a vain attempt to stop the building being listed. They are equally sceptical about the suggestion that the walls, floor and roof are so impregnated with fishy smells that it will continue to stink for years to come.

Fortitude

It was announced yesterday that Jeffrey Tate will make his British conducting debut at Covent Garden next June. The announcement is that you might think—except that Tate has no professional music training and a severe physical handicap. It is a remarkable success story.

A decade ago Tate, then a young doctor, auditioned for a post on the music staff of the Royal Opera House and, such was his natural talent, was quickly hired. He worked at Covent Garden for six years as a répétiteur, preparing opera performances and coaching singers. But he wanted to conduct. Because he has severe angulation of the spine, giving him a pronounced stoop, Covent Garden authorities were doubtful if he would be able to conduct properly, or have the stamina to tackle a complete work.

Undeterred, Tate went to the Continent and worked with Von Karajan, Boulez and Solti. He began to conduct and, as he told me from Cologne yesterday, "I was surprised how comparatively easy it was."

Last year Sir John Tooley, Covent Garden's general director, went to see him conduct. *Tales of Hoffmann* in Sweden and told him afterwards: "You have demonstrated you have the stamina and the means of conducting." The result: an engagement to conduct Mozart's *La clemenza di Tito*.

Tate faces strong competition—Sir Colin Davis and Carlo Maria Giulini are also conducting at Covent Garden next June—but, at

the age of 38, his career is beginning to take off internationally: he will also conduct three different operas at the Met in New York next season.

The big dram

It wasn't exactly a gathering of the clans yesterday on the Liverpool island of Islay, but it was as distinguished. Amid the heather and the palm trees (the Gulf Stream goes that way) the chiefs of many of our best known whisky firms met to celebrate the 100th anniversary of the Bruichladdich Distillery (pronounced Bruich Laddie).

Everybody had a dram or two, or three, of Bruichladdie's slightly peaty, lowland single malt, but the mellow conviviality was tempered by the sour news that whisky sales in America fell last year from £192m to £181m.

As the United States is the most lucrative export market for Scotch, the traditionally conservative whisky business is to launch an aggressive £1m corporate market-

ing strategy there in an attempt to stem the growing tide of Californian wine, tequila and Perrier water.

Having many foreign imitations of Scotch at the Disasters' Company Museum in London (with bottles of Johnnie Walker, Haig and V&A), another possibility comes to mind. Since Invergorrard, I hear, are now selling vodka to Bulgarians, perhaps they should all try their hand at tequila.

Solid support

Badges on sale at the Nalco conference in Blackpool yesterday which supported the Polish Solidarity franchise union were so popular that they sold out within two hours. In an attempt to satisfy delegates' demand for more, union officials ordered 500 special sticks of Blackpool rock with the word "Solidarity" through the middle.

Money from the sale of badges and the rock, about £900 in all, is being given to Solidarity. The Polish delegate at the conference is taking some of the rock back to the movement's leader, Lech Walesa.

Rope trick

Only the people who had seen Barnum in New York would have realised, just how daring Michael Crawford was when the show opened in London last night at the Palladium. Whereas in New York, Michael makes his last entrance from the side of the stage, Crawford turns this entrance into his final, most spectacular (and hitherto

secret) trick and slides down a rope from the very top of the theatre.

It brought gasps from the audience and was the subject of a rapturous praise from Robert Morley. But, for all the excitement at the party afterwards, including the party food, was designed as pure circus. Anita Harris, Pete Murray and Danny La Rue tucked into meat and potato pie, regarded I am told as traditional fare, and listened sceptically as Crawford tried to pretend he wasn't frightened by his tricks. "I was much more scared the first time I took Concord to see the New York show," he said. "One of the engines failed and we had to limp back to London."

Looking a shade tired was producer Cy Coleman. He did no tricks last night but had been staying at the Cornmarket where the carers had kept him awake. After some difficulty he had managed to move rooms. Only to find that the chippies had moved on, too... and were still overhead.

News quiz

Three more teasers, based on this week's news, in *The Times*. Answers at the foot of the page.

1. Oshris was killed off once more this week. Where?

2. What is *laban*?

3. Nigel Evans and *Bufa woodhouse* (Jowler) were accused of the same transgression. What was it?

Peter Watson

## Tory naval cuts belittle Britain



Admiral Stansfield Turner, Director of the Central Intelligence Agency during the Carter Administration, argues that Mrs Thatcher's new defence policy will undermine Britain's role in the world

such as the high percentage of Europe's oil that flows from the Gulf.

Accordingly, the threat of a Soviet military assault on Western Europe is less today than for some time despite its numerical advantage in forces. There are simply too many other and less risky wars in which the Soviets can challenge us.

It will not be easy to widen the focus of NATO's attention. Yet, it absolutely must be done, so much so that the United States will give it the necessary attention unilaterally if the alliance does not awaken. This is no time to have the alliance going in two directions at once. Yet, here is Britain, by its new defence policy, implicitly turning its back on the world outside Europe.

The accent in the restructured defence programme appears to be on static ground and air forces in Europe. They serve no usefulness in deterring the global threats NATO is facing today in the Gulf and may well face elsewhere in the years ahead. The Royal Navy could play a role in global deterrence disproportionate to its size.

When considering the deterrent impact of a show of naval force in some remote region, there is a multiplier effect if that force is international rather than just United States. Moreover, the Royal Navy is particularly suited to this type of role because of its long history of patrolling the seas. Its ships can show up almost anywhere on the globe without arousing the same sense of alarm that many other navies

would serve. Under Mr Norr's plan the Royal Navy would eschew such a role as it drops back to the equivalent of half a dozen of the smaller navies.

Second, this cut at the Royal Navy also hurts NATO where it is least prepared. That is in defence of the sea lanes to America. In two world wars the joint defence of those sea lanes by the Royal Navy and the United States Navy saved Western Europe from sure defeat.

Since the end of World War II we have forgotten that lesson, in large measure because initially there was no threat on the horizon. Yet, a formidable Soviet navy has evolved. More naval analysts feel that the Soviets intend to employ their navy in defence of the homeland rather than against the North Atlantic sea lanes. Neither the Kaiser nor Hitler intended, or prepared for that, but they turned to it instantly upon going to war.

The Soviet Navy is not many years away from the point when it will be strong enough to plan for and intend a repulsion of the German efforts should war break out. Yet, in this budget, Britain is signalling that it does not worry about this danger.

Britain, with its historic perspective of the importance of the North Atlantic sea lanes, should be sounding the alarm at this oversight in NATO's planning. Instead it is turning its back on this contribution which its heritage makes it so appropriate to make.

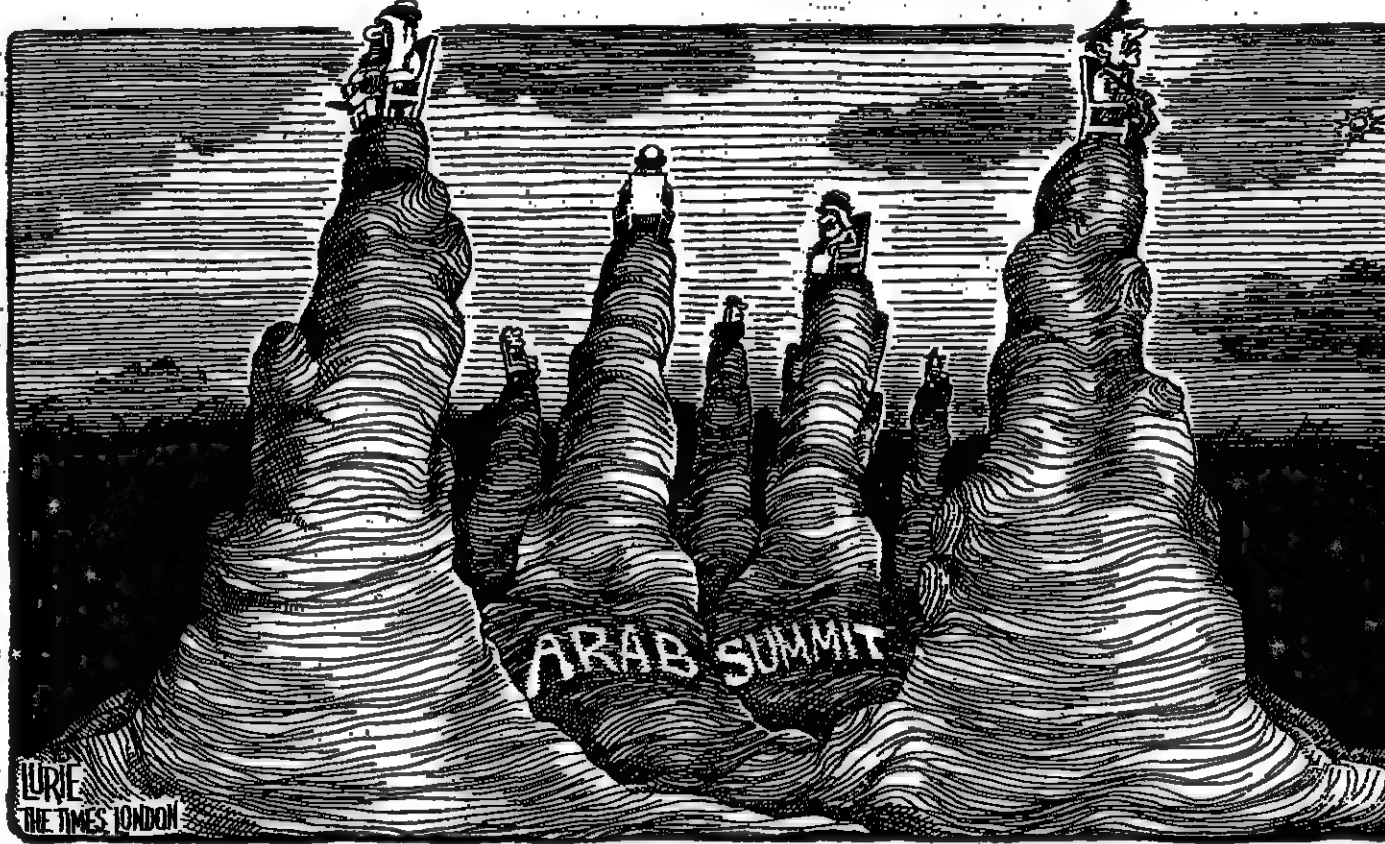
Finally, one of the significant contributions to the size of the Royal Navy has made over the years since World War II is to develop new equipments and tactics of naval warfare. The aircraft carriers that were revolutionized by the Royal Navy's steam catapults and angled decks, for instance. Today the Royal Navy has designed a different breed of aircraft carrier, the "through-deck cruiser" or small carrier, HMS Invincible, which has just joined the fleet with such success is the first of these.

This is just the sort of ship the United States Navy is going to need when it awakens from its ill-conceived fascination with mammoth supercarriers. These small, flexible carriers, however, would likely be one of the victims of Mr Norr's budget cut.

Britain is a sea power, not a large one by United States and Soviet standards, but a significant one by capability, prestige, and tradition. Britain's navy will never be a land power or an air power of any significance. The entire British Army of the Rhine and its air component is but a fraction of the United States reserve of forces for rapid movement to Europe, for instance.

The proposed budget cuts, then, force Britain into a minor role, as just another contributor to a static continental power complex, and forsake the considerable role she can, and should, play in the much wider sphere of maritime power.

## How the Arabs make Israel stronger



have widened. Even the attempt by Syria to project itself as the only Arab state taking a stand against Israel expansionism has not brought the expected benefits in terms of Arab solidarity, and has not substantially reduced Syrian isolation.

### Call for a holy war

Saudi Arabia, it is true, has repeatedly called for a holy war against Israel, and during his visit to London King Khalid has impressed on the Government his view that the main cause of instability in the Middle East remains the failure to resolve the Palestinian question.

But while most Arab leaders can at least agree on that, there is little unanimity on anything else. Most Arab leaders, for example, while outwardly condemning the Israeli raid on Beirut, were in all probability secretly glad to see President Saddam Hussein brought down a peg or two. Saddam Hussein's pretensions to leadership of the Arab world have irritated many of his colleagues in the Arab League, and his inability either

to prevent or, so far, retaliate against the Israeli raid, has exposed him to the charge that his rhetoric has led to little more than posturing.

Pressures inside Iraq could well provide one of the clues to the next shake-up of the Middle East kaleidoscope. The ruling Baath Party in Baghdad appears to be in full command, and Saddam Hussein has ensured that his relatives and close supporters are in key positions. None the less he could become vulnerable if it is shown that far from uniting the Arab and Islamic world, he has aggravated existing divisions and has allowed Iraq to be militarily humiliated.

Much will depend on the course of the Israeli war with Lebanon. The long-promised spring offensive has not materialised. If it does, President Saddam Hussein could still pull off the kind of success he badly needs. But that in turn partly depends on the course of the struggle against Iran. The dismissal of President Bani-Sadr as Commander-in-Chief may improve the effectiveness of the Iranian armed forces, and is certainly likely to lead to a rethinking of strategy by the Iranian chiefs of staff, who evidently

approved of, and probably helped to engineer, Mr Bani-Sadr's removal.

But equally, Mr Bani-Sadr remains popular with the rank and file in the armed forces, and with junior officers. He has been an active Commander-in-Chief, spending more time at the front than in Tehran, so his removal would be a blow to the morale of the Iranian army. But as long as the present stalemate exists, the only true victor is likely to be Israel. The disparity in the Islamic world is illustrated by the fact that Iran felt obliged to condemn the Israeli attack on Baghdad, even though it was in fact in Iran's own interests.

Contradictions of this kind give the Israeli far greater room for manoeuvre than they would otherwise have; and Jerusalem can be expected to respond astutely to any future shifts in relations among its neighbours. This will be especially true if, as seems increasingly likely, against all previous predictions, Mr Bani-Sadr wins the Israeli election at the end of this month, and strikes even more tough-minded and determined than before.

But it is equally possible that some of the armed forces, at least, will rally round the embattled President, and divisions will arise among Iran's fighting men, the effect would seem bound to be demoralizing.

Fears of a civil war

Richard Owen

Mr Bani-Sadr, moreover, still commands support in the population at large, and fighting on the streets between his supporters and those of the Islamic clergy could lead to outright civil war.

If that were to happen, Iraq might be able to press home its advantage and regain lost lands in the Arab world. But as long as the present stalemate exists, the only true victor is likely to be Israel. The disparity in the Islamic world is illustrated by the fact that Iran felt obliged to condemn the Israeli attack on Baghdad, even though it was in fact in Iran's own interests.

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## THE TIMES DIARY



Mr John Lewis, the new United States Ambassador, has decided on his wedding gift to Prince Charles and Lady Diana. It is a small oil by Henry

Köhler, the American painter, and shows the Prince on horseback, preparing to play polo at Smith's Lawn, Köhler, who lives in Southampton, Long Island, painted the picture last summer, after watching the Prince play for Guy Wildenstein's team, Les Diables Bleus. Until recently,

Köhler sold his work through the Wildenstein gallery.

Mr Lewis is said to have chosen the painting, because he knows the Prince admires Köhler's pictures. When Charles was in Florida last summer, the apartment he used was especially decorated with the Long Islander's work and Charles was enthusiastic.

Köhler may set something of a record among the royal wedding presents. I am told that one of the Spencer family has also commissioned a picture from him as a gift to the royal couple.

Undeterred, Tate went to the Continent and worked with Von Karajan, Boulez and Solti. He began to conduct and, as he told me from Cologne yesterday, "I was surprised how comparatively easy it was."

Last year Sir John Tooley, Covent Garden's general director, went to see him conduct. *Tales of Hoffmann* in Sweden and told him afterwards: "You have demonstrated you have the stamina and the means of conducting." The result: an engagement to conduct Mozart's *La clemenza di Tito*.

Tate faces strong competition—Sir Colin Davis and Carlo Maria Giulini are also conducting at Covent Garden next June—but, at

the age of 38, his career is beginning to take off internationally: he will also conduct three different operas at the Met in New York next season.

The big dram

It wasn't exactly a gathering of the clans yesterday on the Liverpool island of Islay, but it was as distinguished. Amid the heather and the palm trees (the Gulf Stream goes that way) the chiefs of many of our best known whisky firms met to celebrate the 100th anniversary of the Bruichladdich Distillery (pronounced Bruich Laddie).

Everybody had a dram or two, or three, of Bruichladdie's slightly peaty, lowland single malt, but the mellow conviviality was tempered by the sour news that whisky sales in America fell last year from £192m to £181m.

As the United States is the most lucrative export market for Scotch, the traditionally conservative whisky business is to launch an aggressive £1m corporate market-

ing strategy there in an attempt to stem the growing tide of Californian wine, tequila and Perrier water.

Having many foreign imitations of Scotch at the Disasters' Company Museum in London (with bottles of Johnnie Walker, Haig and V&A), another possibility comes to mind. Since Invergorrard, I hear, are now selling vodka to Bulgarians, perhaps they should all try their hand at tequila.

Solid support

Badges on sale at the Nalco conference in Blackpool yesterday which supported the Polish Solidarity franchise union were so popular that they sold out within two hours. In an attempt to satisfy delegates' demand for more, union officials ordered 500 special sticks of Blackpool rock with the word "Solidarity" through the middle.

Money from the sale of badges and the rock, about £900 in all, is being given to Solidarity. The Polish delegate at the conference is taking some of the rock back to the movement's leader, Lech Walesa.

Rope trick

Only the people who had seen Barnum in New York would have realised, just how daring Michael Crawford was when the show opened in London last night at the Palladium. Whereas in New York, Michael makes his last entrance from the side of the stage, Crawford turns this entrance into his final, most spectacular (and hitherto

secret) trick and slides down a rope from the very top of the theatre.

It brought gasps from the audience and was the subject of a rapturous praise from Robert Morley. But, for all the excitement at the party afterwards, including the party food, was designed as pure circus. Anita Harris, Pete Murray and Danny La Rue tucked into meat and potato pie, regarded I am told as traditional fare, and listened sceptically as Crawford tried to pretend he wasn't frightened by his tricks. "I was much more scared the first time I took Concord to see the New York show," he said. "One of the engines failed and we had to limp back to London."

Looking a shade tired was producer Cy Coleman. He did no tricks last night but had been staying at the Cornmarket where the carers had kept him awake. After some difficulty he had managed to move rooms. Only to find that the chippies had moved on, too... and were still overhead.

News quiz

Three more teasers, based on this week's news, in *The Times*. Answers at the foot of the page.

1. Oshris was killed off once more this week. Where?

2. What is *laban*?

3. Nigel Evans and *Bufa woodhouse* (Jowler) were accused of the same transgression. What was it?

Peter Watson

David Watt

## Ulster: the three crucial steps

There have just been three elections in Ireland—each in its own way extremely depressing. The first two—the Bobby Sands by-election and the local government elections in the North, in which Protestant and Catholic moderates were badly squeezed by the extremists, marked a new phase in the polarization of the two communities and demonstrated that it is becoming more and more difficult for Britain to hand over direct rule to any alternative authority in the province. The third, the general election in the Republic, has exposed the difficulties of handing over British responsibilities to anyone else.

Mrs Thatcher's first instinctive reaction in 1979 to the bloody mess she inherited in Ulster was to try to solve the problem essentially within the framework of the United Kingdom. Mr Humphrey Atkins' initiative last year was a meritorious attempt to persuade the two communities to cooperate in a devolved system of government in place of direct rule. When that failed last summer, the Government was obliged to revert to a 'four policy' of containment on the ground. But if the London-Belfast route was blocked, some sense of the near-collapse was supposed to be imparted to the scene by developments on the London-Dublin axis.

Mrs Thatcher's trip to Dublin last December, accompanied by the Foreign Secretary and the Chancellor, was a major exercise in politics and the mystery with which she subsequently cloaked it only heightened the drama. The Delphic phrase of the communiqué which stated that the two prime ministers would meet in London this week to discuss the totality of relations within these islands and the commissioning of joint studies to cover "possible new institutional structures" as well as other matters, raised high expectations. Certainly Mr Charles Haughey, the Irish Prime Minister, showed hyperbole in the proceedings—historic importance—a new plane... setting no limits... significant breakthrough... and all the rest of it.

In the subsequent six months the euphoria has had its uses for Mrs Thatcher. While the studies have been proceeding at official level, the international pressures on the British Government have been softened and Mr Haughey has refrained from serious criticism over the hunger strikers.

The worrying factor has been the particular way Mr Haughey has chosen to use the talks to his own domestic purposes. His line, both before and during the election, has been that Northern Ireland has "failed as a political entity", and that the new relationship with Mrs Thatcher signals the beginning of the end of the emergency situation.

All this is understandable as an election play (although the Irish seem in fact to have been far more preoccupied with the serious state of their economy than with Northern Ireland). The trouble is that it has been a gun to look at though Mr Haughey not only believes his own propaganda but actually has no ability, either intellectual or political, to work realistically towards his declared aim.

Mr Haughey's position has been probed during the election, the more obvious it has become that neither he nor his senior lieutenants in the Fianna Fáil party have a serious Northern Ireland at all. There is no idea there of what reunification, federal or otherwise, would mean or what its cost would be; nor is there any hint of willingness to consider seriously the Irish constitution which would have to be made to achieve it.

The moral of all this is now fairly plain to see. If Mrs Thatcher ever really hoped to move beyond the atmosphere of short-term tactical benefits to serious progress with Dublin on constitutional matters, she had better revise her plans and take rapid steps to see that she is not fooled by the possibility later this year for the fact that nothing much is going to occur.

Richard Owen

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## THE PRESSURES ON MR KANIA

The turbulent events of the past few days in Poland have not changed the situation as much as the Russians hoped and the Poles feared. The Russians in their letter of last week demanded a clear change of course and hinted that they would not be averse to a change of leadership. Some members of the Polish politburo tried to oblige them but failed. The result is that the present leadership remain while promising to do better.

Mr Kania, the party leader, thus emerges weaker in some respects but stronger in others. He is weaker insofar as he has accepted a list of Soviet complaints and undertaken to go some way to meet them. He can now be more easily held to his undertakings in public by his opponents and by the Russians. He has to produce results or face another challenge fairly soon.

On the other hand he is stronger for having survived a powerful challenge to his position and his policies. He has demonstrated that he enjoys wide support at the base of the party and among the regional secretaries. He also won crucial support from the Army represented by fifteen generals in the central committee.

He was further assisted paradoxically by the weakness of the party's position in the country. To change the leadership now, especially under Soviet pressure, could weaken it still further by introducing new uncertainties and releasing new pressures. If the reformists were pushed out of the party would probably rebel or simply remove itself even further from central control. If the

hardliners were removed the Russians would become even more anxious, the old apparatus even more demoralized, and the reformists perhaps dangerously optimistic.

Therefore, when faced with its moment of truth, the central committee could find no realistic alternative to Mr Kania's middle road. This is why Mr Kania, too, resisted the temptation to attempt the removal of his opponents from the politburo. Balance and continuity remain the order of the day. He may have shown himself a somewhat drifting leader but his political skill was obvious in the backrooms over the past few days. Once the demand for a vote of confidence had been put to the central committee he could not reject it. However, realizing that a secret ballot might go against him, and would certainly remove some people from the politburo, he managed to derail it by asking members to choose publicly whether to vote on each member of the politburo.

Probably the Russians are not entirely happy with the limited results of their letter. They cannot understand the strength of the demand for change in Poland and still seem to cling to the illusion that firm measures from the top can restore a modified version of the old order, though they do seem to have come to terms with the existence of Solidarity. Whatever they now feel, they can be expected to wait to see how far Mr Kania fulfils his promises.

He undertook in his closing speech to the congress to put more limits on the media and on Solidarity, to strengthen law

enforcement and above all to get a grip on the election campaign to ensure that the present members of the politburo and secretariat and other "tested activists" are returned as delegates to the congress. His problem is that many of the levers of power are no longer connected to anything. Probably he can still bring the official press under control because the machinery of censorship still exists. This will meet one of the Soviet Union's biggest anxieties. But the unofficial press is another matter, and so is Solidarity, parts of which are very determined to expand existing freedoms. And whether the demoralized police force can quickly regain authority is also doubtful.

The election campaign presents a more complicated problem, but he can expect some success. There is still a clear difference of opinion between the Polish and Soviet parties over the main tendency in the campaign. The Poles claim that most of the new delegates, although often unknown and untested are in fact quite sound and moderate, while the Russians insist on depicting them as revisionists and opportunists. However both agree that the politburo and senior members of the apparatus should at least get as far as becoming delegates to the party congress. There is no way of ensuring this but with the support of the regional secretaries and Mr Kania's enhanced authority among them, the chances are not bad. Even so, there is still a rough road to be travelled to July and much will depend on whether the Government shows signs of getting a grip on the declining economy.

## JOB FOR THE ACADEMIC BOYS

Prince Philip is in the field, well-timed, water with a number of Labour MPs for his off-the-cuff remarks in his sixtieth birthday interview about the enforced leisure of the unemployed. It was awkward and that's the end of the matter. It would benefit us all if the MPs and others would turn to his more considered views and the way education has failed many and how it is failing more. They are not slow to do so, to show that they are gifted in another way, in the balance between academic and vocational we have become a bit too academic. His observation is not new but the curious thing is that it has become almost a truism in recent years while the imbalance has become more marked partly through the actions of the very people who deplore it.

The 1944 Education Act had as its basis a commitment to providing secondary education suited to the age, aptitude and ability of every pupil. That begged many questions, but few would claim that the aspiration has been fulfilled. Universal education has developed to a great extent in the grammar school mould, and identified success predominantly as success in the fields most valued by a tradition which had, and offered only for a minority with special aptitudes in that line. In origin this derived from a prize-worthy determination not to tolerate a system where children without obvious academic leanings were equipped simply with the functional skills necessary for low-grade drudgery.

But the process has been carried further by professional and semi-professional bodies

so that to be a teacher of games you have to be good at algebra or French, or to be a speech therapist you must swot for two A levels, and to be a librarian a love of books and a capacity to advise on their purchase is no longer enough. A levels and university degrees have come to be required for training and admission in scores of employments so that they are closed to many with aptitudes but without the necessary church of certificates. Professor Ronald Dore documents in *The Diploma Disease* as much as a raising of standards there has been a thrust for the mobbing of creating a more exclusive profession.

Any argument for greater utility in education must start by rejecting the idea that it means denying access to the most rewarding kinds of learning to some categories of pupils. That approach would waste talent and divide society. The proposition is that the bias towards the academic has reached the point where it obstructs the provision of a truly broadly-based education which prepares the pupil for a full life both at work and in leisure. There is wide agreement today that our system is not succeeding well enough in this.

It is partly a problem of resources, financial and human, but it is also one of lack of imagination among teachers, as recent reports by the Inspectorate of Schools have shown. The shortcomings of our schools as a preparation for working life were a theme of the last Government's "great debate" on education, and have been a constant cry of those now giving evidence to the parliamentary committee on secondary education — including bodies as diverse as the TUC,

the CSE and the Society of Education Officers.

But it is society quite as much as the schools which has brought this state of affairs about. As more and more young people have been gaining educational qualifications of one kind and another, the market value of those qualifications has been devalued. At the turn of the century it was possible to get a job in many professions, trades and occupations at the age of 14. Since then, and with increasing pace, almost all categories of work with any pretensions to status and esteem have erected barriers to entry in the form of often wholly irrelevant O-level and A-level requirements. It is a widespread restrictive practice which spreads fastest when competition for jobs is intense. It gives a distorted significance to the GCE, which was designed for the limited purpose of selecting students suitable for higher education.

It is neither the schools nor the examiners who are most to blame for all this. They have done much to soften its effects. It is employers and professional bodies who have demanded trophies of scholastic excellence. Their motive is partly a not unjustified distrust for the grounding is useful skills that state education actually imparts to the less able. It will be before the CSE exam, which really does have the purpose that employers look for in the GCE, is fully trusted as evidence of solid if limited attainment. The schools have their part to play in gaining that trust. But if the outside world looks at education simply as a process for conferring badges of employability, then its value even in those limited terms will continue to be distorted.

## MR BANISADR'S SLIPPERY SLOPE

The fact that the more extreme supporters of the Iranian Islamic fundamentalists are now openly seeking the execution of Mr Bani-Sadr is a sign that far things have gone in Iran. Until recently, the President's opponents have considered it enough to call for him to be put on trial. Although the death penalty was implicit in this threat, it was never spelled out. Now, however, Mr Bani-Sadr is being compared in public to the former Shah, which is a sure sign that those who make this comparison would like him to become identified in the public mind with the iniquities of the ancient regime, so that he might come to be seen as an obstacle to the Iranian revolution who can justifiably be swept away by the Islamic sword of justice.

To describe Mr Bani-Sadr in such terms is absurd. He left Iran in 1963 and played a leading role in the opposition to the Shah's rule of left wing views well versed in economics. Mr Bani-Sadr combined an outlook derived from a Western education with devotion to Islam, and a commitment to the concept of an Islamic Republic in Iran. His presence in the Khomeini administration, after the fall of the Shah, and his subsequent election as President, suggested that such a Republic could be run on enlightened and sensible lines, rather than in the obscurantist and often cruel fashion favoured by the more dogmatic among the Islamic clergy.

The decision by Ayatollah Khomeini to side with the clergy rather than with Mr Bani-Sadr

is a severe blow to such hopes. It strengthens the possibility that Iran will, as many have feared all along, descend into the kind of despotism and barbarism period worse than anything experienced under the Shah. The Islamic clergy control the Majlis (Parliament), where their Islamic Republican Party has an overwhelming majority. With the banning of various opposition liberal newspapers, the clergy have also been able to tighten their grip on the press, leaving the Bani-Sadr forces with no outlet for their views except news sheets distributed by hand on the streets. Thanks to the armed thugs of the "Party of God" — also known as "club wielders" — the IRP is also able to dominate public places by creating an atmosphere of fear and intimidation.

There are forces ranged on the side of Mr Bani-Sadr. The young, non-Communist militants of the left wing *Mujahidin*, are well organized, have access to arms, and will almost certainly fight on his side if Iran erupts into civil war.

The question is whether Mr Bani-Sadr himself will have stomach for such a fight. He is a man of civilized values, who wishes to construct an Islamic Republic by peaceful cooperation within the framework of a tolerant political system, rather than by bloody pitched battles in the streets of Tehran. He has, moreover, been under the tutelage of Ayatollah Khomeini for so long that he may feel obliged to bow the Imam's dictates and retreat from the field. But on

the other hand, Mr Bani-Sadr has defended himself doggedly over a long period despite repeated attempts to rob him of his independence and autonomy, and he has a deep knowledge of the people who voted for him nearly eighteen months ago did so in a free election, and are still behind him.

It is still far from clear how many of the officers whom Mr Bani-Sadr commanded until this week are still loyal to him. The Chiefs of Staff have clearly been manoeuvring against him for some time. There is however goodwill towards Mr Bani-Sadr among lower ranking officers, many of whom approved of the way in which he took personal charge of the war effort. It is also acknowledged by many officers that Mr Bani-Sadr's rational approach to the conduct of public affairs is more likely than that of the IRP to lead to a normalization of relations with the United States, and possibly therefore to the eventual resumption of American military supplies.

It is possible that enough moderate opinion exists within the ranks of the clergy to reduce the influence of the more dogmatic elements. But the tendency has been for Iranian society to polarize rather than coalesce, and the two sides — the clergy and the liberals — are squaring up for a decisive trial of strength. Despite the forces he can still muster, the outlook is ominous for Mr Bani-Sadr, and for Iran.

## Passing judgment on Israel's pre-emptive strike

From Mr Alan Silkin

Sir, As well as Israel, some Arab nations would almost certainly have been threatened by the presence of atomic weapons in Iraq, and in spite of the public noise must privately be glad that the reactor has been destroyed.

In view of the continued vulnerability of Israel the Baghdad raid can only be seen by reasonable people as a strictly defensive measure. The media throughout the world appear to condemn it, but the people whom the media claim to represent are by no means of the same opinion.

The only comparison I can think of, and I believe it to be a valid one, is that of the air operations towards the end of the Second World War, whose object was to destroy the bases from which the V2 weapons were to be launched on Britain. International guarantees cannot ensure the safety of Israel. Only external vigilance on the part of Israel and an attempt to do that. Those who are voluble in their condemnations would do doubt think differently if their own country was so threatened.

Yours sincerely,

ALAN SILKIN, M.P.

21 The Rectory, Wiltshire, Kent.

June 10.

From Mr Paul McGhee

Sir, The Olympic arrogance of Mr Begin has found its perfect foil in the Olympic detachment of your leader column "Israel's pre-emptive strike" (June 9).

Most of us heard the news on radio or television and I am sure that many like myself who have given little thought to the shifts of war and diplomacy in the Middle East, reacted with shock and unqualified disapproval to an act of heavy-handed international politics.

The concept of a pre-emptive strike is one for which it is difficult to find any moral justification. Where nuclear installations are involved, it is a concept which, had it been used in the past, would already have involved the world in a nuclear war. And yet we can watch the BBC and read *The Times* in Britain and feel that all this is of little importance, a "flash" incident, a part of the election campaign and no more. There are times when balanced reporting is not the answer when it is not decorous. Can *The Times* ever be so easily taken to task as a hard line against one faction in Ulster, nor take a firmer lead in roundly condemning this action of an infinitely more dangerous faction in the Middle East?

The case for the justification of this outrage is contained in your sentence:

"Further, the reactor fuel (highly enriched uranium) is not suitable for the production of significant quantities of plutonium for a plutonium-based device."

Further, the reactor fuel (highly enriched uranium) is not suitable for the production of significant quantities of plutonium for a plutonium-based device. The reactor is capable of producing two or three times as much plutonium within an operational period of two to three years as the Israelis claim. Iraq has signed the nuclear non-proliferation treaty and its nuclear facilities are open to periodic inspection by the IAEA (International Atomic Energy Authority). It would be extremely difficult to divert significant quantities (tens of kilograms) of enriched fuel for the production of a "flash" bomb without undergoing detection.

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Ferranti claims world lead, Page 18

**Stock markets**  
FT Ind 536.2, down 6.1  
FT Gilt 65.83, down 0.36

**Sterling**  
\$1.9500, down 215 points  
Index 94.8, down 0.2

**Dollar**  
Index 109.2, up 0.7  
DM 2.4027, up 345 pts

**Gold**  
\$465.50, unchanged

**Money**  
3 mth sterling 12 1/2-12 3/4  
6 mth sterling 12 1/2-12 3/4  
3 mth Euro \$ 17 1/2-17 3/4  
3 mth Euro \$ 17 1/2-17 3/4

## IN BRIEF

### Iran claims credit for Krupp jobs

Fewer jobs than predicted are expected to be lost at Krupp AG in Bochum, West Germany, company works council sources said.

Company figures, which forecast the loss of 5,000 jobs under a DM500m (about £107m) restructuring and investment programme, resulting possibly in 1,000 actual redundancies, were no longer correct, the sources said.

Iran, which holds a 25 per cent stake in the company, has claimed credit for saving several hundred jobs. Iran opposed the redundancy plan because it was against Islamic principles.

The restructuring programme was approved at a Channel 4 board meeting, when the company's supervisory board yesterday, when alternative proposals on job cuts from the works council were accepted.

**Wall Street over 1,000**

The New York stock market rallied yesterday. The Dow Jones industrial average closed 1,054 points up to 1,007.42, its highest since 1980. The S&P 500 rose 15.50 to 115.03. The NYSE volume was 1.15 billion shares.

**Cheltenham gold ends**

Cheltenham & Gloucester Building Society is to open no more of its controversial "Cheltenham Gold" accounts after June 30. The account, which offered large-scale subscribers a better than average interest rate, was criticized by other building society chiefs because it threatened their agreement on interest rates. Cheltenham & Gloucester says it is "delighted" with the flow of funds into the account.

**Joint video venture**

Thorn-EMI says that meetings held with AEG, a German company, and JVC to set up a joint venture to manufacture video products in Europe have made good progress. The partners have agreed to a joint preliminary work in Berlin for VHS video tape recorders.

**Sicilian connexion**

A public company, Strada di Messina, was set up in 1980 (£300,000) capital in Rome yesterday to provide a bridge between Sicily and the Italian mainland. The state corporation and its two subsidiaries have 51 per cent of the capital. The rest is held by the Sicilian and Calabrian regional governments and the state highways and railways.

**Savoy stake**

Trusthouse Forte claimed yesterday to control more than 60 per cent of Savoy Hotels group shares, giving it more than 40 per cent of the vote. TFF, which is bidding for the group, said it had acquired another 780,000 "A" shares. TFF shares last night slipped 1p to 148p but Savoy "A" shares gained 1p to 151p.

**Business prelate**

Sir Terence Beckett, director-general of the CBI yesterday praised the Government's business start-up scheme. He said it was one of the most important contributions made towards encouraging new firms since the war.

**Saudi trade visit**

Mr Cecil Parkinson, Minister of State for Trade, leaves for Jeddah, Saudi Arabia, today on a six-day tour. He hopes to secure a substantial share for British firms of the country's spending on heavy industries.

**Rolls in Arab link**

Rolls-Royce has set up a new company in Jeddah, Saudi Arabia, to make gas turbines for the Saudi Royal Air Force. The company, Rolls-Royce Industrial Turbines Saudi Arabia (RITSA), is jointly owned by its British parent and the Saudi engineering company SAEMCO.

# British Steel may sell stake to Japanese

**By Peter Hill, Industrial Editor**

Nippon Steel Corporation of Japan, the world's largest steelmaker, may acquire an equity interest in the British Steel Corporation's general engineering subsidiary of Redpath Dorman Long.

Discussions have been taking place for some weeks and are not expected to be concluded for some time. The move is in line with the BSC's already announced plan to reduce its interest in RDL to a minimum of 40 per cent.

Nippon Steel is already supplying technical assistance to the BSC in its steelmaking operations, but the strong possibility of the Japanese company acquiring at least a substantial minority stake in RDL would be a significant step.

Benefits would be considerable for both companies. Nippon's undoubted technical expertise in steelmaking and structural engineering projects, would provide RDL with a competitive edge. RDL's traditional export markets, especially in the Middle East, would open up opportunities for Nippon to move into new areas.

RDL is playing a leading role in promoting British Steel's plan for a £300m cross-Channel link conceived by Mr Ian MacGregor, chairman. The link envisaged would incorporate two twin-tube roadways and a Channel Tunnel on viaducts and connecting with two large man-made islands. A rail connection would be provided by a submerged tunnel.

The Japanese company's experience in similar projects in Japan would clearly be invaluable.

RDL's traditional strength has been in civil engineering and structural steelwork projects, including bridge building. It has also moved into supplying equipment for the offshore oil industry and operates an offshore equipment construction yard at Methil in Fife.

Earlier this week its subsidiaries, Redpath Engineering and Cleveland Offshore, won contracts valued at £32m for work on the North Sea's Beryl field.

The company employs about 5,000 workers but has been hit by a steep drop in demand for heavier structural steelwork, and its export performance has been undermined by the strength of sterling.

In the 1979-80 financial year, the company lost £16m reflecting the impact of the three-month steel strike at the beginning of last year and before that the engineering industry strike.

Under the chairmanship of Mr David Watstone, who under the reorganization plan will become chief executive of the company, RDL has closed some of its fabricating works and slimmed down its labour force. The decision to "hive off" the company from BSC is in line with the corporation's policy for reducing its involvement in non-steel-making iron and steelmaking subsidiaries.

Under the disposal plan for RDL, where the BSC is being advised by Launders, the merchant bankers, Redpath would become an associated company in a joint venture with outside interests.

Apart from Nippon Steel's possible participation, discussions are also taking place with a number of other potential shareholders.

The strong possibility of the Japanese steelmaker becoming involved in RDL comes when the Government is awaiting the outcome of Nissan's investigation into the location of a large new motor assembly plant in the United Kingdom.

## Steel output up 18 pc on second half of 1980

**By Our Industrial Editor**

Steel production by the British Steel Corporation and the independent companies in May rose by more than 18 per cent compared with the average for the second half of last year.

Although production still remains far below levels achieved in the corresponding month of 1979, the improvement has been seen as further evidence that the recession has flattened out.

During the month production amounted to an average of 286,400 tonnes a week. This represented a fall of 7.2 per cent on the previous month and more than 20 per cent below levels of May last year.

BSC plants were processing orders delayed by the three-month-long strike.

Output in May was affected by annual holidays taken in public sector plants in the Sheffield area. But production during the period was 16.4 per cent higher than the very low level of demand in the second half of last year.

Over the first five months of this year United Kingdom steel production averaged 285,400 tonnes a week compared to 414,800 tonnes a week in the corresponding period of 1979.

The need to avoid further plant closures and capacity cutbacks was underlined yesterday by leaders of the TUC Steel Committee who met Mr Norman Tebbit, Minister of State, responsible for the steel industry.

During the meeting—the first between the minister and the committee—steel industry union leaders emphasized the need for an economic drive between the BSC and the independent companies and the BSC over any further changes in the corporation's survival plan.

Mr William Sims, chairman of the committee and general secretary of the industry's largest union, the Iron and Steel Trades Confederation, said after the meeting that the unions were also concerned about the lack of consultation on the formation of Allied Steel and Wire, a joint company formed between the BSC and CIL.

The union team also urged Mr Tebbit to ensure that the BSC's worker directors were retained on the main board.

## ANOTHER SHIPYARD CLOSES

Closures and cutbacks affecting 1,170 workers in shipbuilding and chemical works are announced as the Government allocated £7.5m to a factory building programme in South Wales.

British Shipbuilders faced angry trade union reaction at a meeting in Newcastle to discuss the closure of the Robb Caledon yard in Dundee, which employs 435. They promised to retain 80 at a technical centre on the site, and to transfer up to 100 to Robb Caledon's yard at Leith, British Shipbuilders also announced yesterday the closure of the marine engineering works of Clarke Hawthorn at Harlepool, with the loss of 275 jobs.

In Manchester, the international chemical company Chiegey announced plans to halve its workforce at its Trafford Park plant.

This will involve 460 job losses over two and a half years. Meanwhile, the Government is to invest £7.5m in a factory building programme.

## Bank union starts big recruitment campaign

**By David Felton**

The 140,000-strong Banking Insurance and Finance Union is to mount a major recruitment campaign among staff in insurance companies and brokers after its success in wooing the 6,000 members of the Eagle Star Staff Association.

The TUC-affiliated union announced yesterday that it was discussing transfers of engagements with at least two further insurance company staff associations and is about to start a membership drive in the seven chief insurance brokerage companies in the City.

Union officials claim that the industry was "ripe" for recruitment because of threats to employment in the brokerage companies because of the introduction of new technologies and the economic recession.

Those companies employ about 25,000 staff and BIFU officials are hopeful of recruiting at least 4,000 members in the insurance field generally by the end of the year.

The union yesterday announced the result of a ballot of the Eagle Star Association's members, which showed 3,086 in favour of a transfer of engagements to BIFU with 1,811 against. Mr Graham Goring, the association's general secretary, will become an assistant secretary of BIFU and be responsible for the Eagle Star membership.

Mr Liff Mills, BIFU general secretary, said last night that the union's advances in the insurance industry showed it was winning the long-running recruitment battle. He said the CBI's Association of Scientific, Technical and Managerial Staffs.

BIFU staff will become members of BIFU's insurance section, which already represents workers in the Guardian Royal Exchange and Phoenix companies.

## Refund for bankers' clients

Clients of Norman Collins, the failed stockbroker, which was liquidated last February, have started to receive compensation from the Stock Exchange. Meanwhile, the liquidator, Mr Grumbler, claims that the clients will also begin to receive their money back in the next couple of weeks.

The Exchange's compensation fund, which repays investors affected by a stockbroker's collapse, is expected to have to pay out about £5m in the next few days. The fund was set up after the collapse of the BSC over any further changes in the corporation's survival plan.

Mr William Sims, chairman of the committee and general secretary of the industry's largest union, the Iron and Steel Trades Confederation, said after the meeting that the unions were also concerned about the lack of consultation on the formation of Allied Steel and Wire, a joint company formed between the BSC and CIL.

The union team also urged Mr Tebbit to ensure that the BSC's worker directors were retained on the main board.

## Jobs go in shipbuilding, computers and now the rail workshops

British Rail Engineering, the manufacturing arm of British Rail, is to close its works at Ashford, Kent, later this year with the loss of 950 jobs, it was announced today.

BRE is also looking for a further reduction of 1,115 staff in its 34,000 workforce, which is spread over 13 main workshops.

Attempts will be made to achieve this further reduction by voluntary redundancies. BRE said today. The plan is part of an economic drive aimed at reducing costs by £15m.

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In March the Government gave the company a £200m loan guarantee to allow the company to continue. That loan will be spread over two years.

# Cummins to invest £500m in diesel engine battle

**By Clifford Webb, Midland Industrial Correspondent**

Cummins, the American-owned diesel engine manufacturer, which was excluded from a proposed £100m rationalization of the British automotive diesel industry, will today launch a major campaign to expand its United Kingdom plants and product range.

Mr Michael Howell, vice-president Europe, is expected to announce in Draxford, Worcestershire, that a £500m world-wide investment programme, the biggest in the company's history, will give Cummins a complete range of new engines, including for the first time those in the smaller 50-200 hp sectors.

This will bring it into direct competition with Perkins, the Peterborough-based subsidiary of Massey-Ferguson, Canada, which is playing the leading role in the rationalization plans. Its proposed partners in the scheme being considered by the Department of Industry, are BL and Duramax, and Daimler-Benz, which has restricted its activities to heavy diesels.

It is proposed that Perkins should concentrate on the medium-powered sectors, with BL producing small diesels and Duramax heavy diesels. Cummins, which employs more than 5,000 at factories at Short, Glasgow, Darlington, Co. Durham, and Daventry, has pressed at the same time as they have been in the present recession.

## Shell petrol goes up on Monday

**By Edward Townsend**

Shell UK Oil, joint leader with Esso in the British petrol market, has followed BP's lead by withdrawing subsidies to retailers and putting up prices to about 156p a gallon from midnight on Monday.

Earlier, Mobil said it was also going to end subsidies, forcing up the petrol price.

Shell's action is unlikely to result in a substantial change to prices in rural areas, where discounting has been less marked. The company said it would continue to make substantial losses because of intense competition arising from a surplus of crude oil, the high price of North Sea crude, which accounts for 75 per cent of Shell's refinery throughput, and the weakening of the dollar-sterling exchange rate.

It added: "The effect of petrol price increases by Shell in January and March has been wiped out by subsidies to retailers to enable them to stay competitive. The March increase in wholesale prices was intended to produce about 160p a gallon at the pump, but the intensity of competition meant that the price had to be discounted."

## Ivory Coast selling puzzles cocoa dealers

**By Michael Frost, Commodities Correspondent**

Persistent recent selling of cocoa by the Ivory Coast, the world's biggest cocoa exporter, has puzzled cocoa dealers, who are trying to reach an accord on a new international cocoa agreement, which is puzzling cocoa traders.

Cocoa for September delivery fell yesterday in London by 14 pence to £14.35, the lowest for this contract. On yesterday's exchange rate cocoa was about 74 cents a pound, far below the minimum intervention price of 110 cents, which the International Cocoa Organisation wants to introduce.

The mystery is that the Ivory Coast has all but accepted the new agreement by insisting that the intervention price is too low. But at the same time, the West African producer, which accounts for about a quarter of world annual cocoa exports, is said to be holding out for a third of next year's crop already.

The general condition of the market is further depressed by reports that 150,000 tonnes of the expiring seasons cocoa is still trapped up country in Ghana. Poor transport has damaged Ghana's reputation as the supplier of the best quality cocoa.

One baffled analyst said that the Ivory Coast seemed to be selling to discredit a potential international agreement. He said that last year the Ivory Coast headed a group of West African producers which tried to support the price by withholding cocoa from the market. Only the Ivory Coast stuck to the arrangement, and was then forced to make emergency sales in bulk.

Cocoa market traders argue that the longer the Ivory Coast goes on selling in such volume, the less chance there is of the price rising to meet the proposed agreement's intervention level.

Consuming nations, who in any case are growing more disenchanted with the agreement, might be persuaded that there was no point in signing the agreement and risking higher prices.

## Dollar makes up losses with DM

**By Francis Williams**

The dollar rebounded on the world's foreign exchange markets yesterday after falling sharply on Wednesday, as dollar interest rates rose and the threat of Arab reprisals against the United States for Israel's attack on Iraq appeared to recede.

The United States currency more than made up Wednesday's losses against the Deutsche mark, the currency against which it is measured, climbing 345 pence to close in London at DM 2.4027.

It also recovered much of its previous losses against other leading currencies, and its trade-weighted index improved 0.7 to 109.2 (average 1975=100).

The pound lost 2.15 cents on the dollar, ending London trading at \$1.95. But it was stronger against the franc, which it lost 0.2 to 94.8.

The dollar was boosted by higher short-term interest rates in New York, with the key Federal Funds rate opening at 19 per cent, and a firm Eurodollar deposit rates.

## No insider dealings in Wilkinson

A Department of Trade investigation has found "no evidence" of insider dealings in the shares of Wilkinson Match last year, ahead of the full-scale bid by the American shareholder, Allegheny Ludlum.

The Stock Exchange announced in December that it had passed to the department certain particulars in the dealings of the group's shares.

City rumours about a possible takeover offer from the American firm, Wilkinson, which had been in the market for some time, had been a factor in the share price, before a halt was called to dealings and the directors confirmed they had received an approach.

The statement from the Department of Trade said: "There is no evidence that any offence has been committed under section 68 of the Companies Act 1968."

Of the six other inquiries, passed to the department, there was only one other announcement so far that no offence had been found in dealings in the shares of oil services group Petrochem.

## Brussels surprised by Japanese car curbs

**From Michael Hornsby, Brussels, June 11**

Japan is to follow up its pledge to cut back its rising car exports to West Germany with a similar promise to the three Benelux countries, Belgium, Luxembourg and the Netherlands.

Disclosure of this agreement today has cut the ground from under the feet of the European Commission, which is seeking to negotiate controls on imports of Japanese cars through the EEC, similar to those recently agreed between Japan and the United States.

The chief spokesman of the Commission said that Brussels had been "extremely surprised" by the Japan-West Germany deal, and had not been informed of its contents. The Commission would make its views known in the next few days.

The spokesman recalled that the Commission had been entrusted by the EEC's Council of Ministers with the task of holding talks with Japan on car exports, and that the member states themselves had stressed the "Community character" of their approach to dealings with the Japanese.

Under the arrangements offered to the Benelux countries, the Japanese will reduce their car exports to Belgium from 112,000 units in 1980 to 104,000 units this year, a cut of 7 per cent. They will also hold back exports to the Netherlands and Luxembourg in 1981 to the same level as last year—122,000 units in all.

According to Japanese officials here, the deal will be formally concluded when Mr Rokusuke Sugawara, Japanese Minister for International Trade and Industry, meets Mr Willy Claes, Belgium's economics minister, next week in Paris at a meeting of the International Energy Agency.

Last year Japanese car exports to Belgium rose by 38 per cent, increasing their market share from 17.6 per cent to 24.3 per cent. This trend continued in the early months of this year, and there were fears that thousands of Japanese cars, originally destined for the American market, would be diverted to Europe.

The same anxiety prevailed in West Germany, where Japanese cars increased their market share from 16.7 per cent to 18 per cent last year, and rose in volume terms by 30 per cent in the first five months of this year. Japan has now pledged to observe a maximum annual growth rate of 10 per cent.

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**PRICE CHANGES**

**Rises**

AAC	12p to 62p	Fanger Oil	35p to 62p
Churchbury	5p to 64p	Tricentrol	18p to 36p
Downting	8p to 22p	Western	6p to 22p
Global Nat Res	75p to 96p	Western Area	15p to 24p
Hanson Trust	7p to 24p	UC Invest	5p to 57p

**Falls**

BTE	12p to 31p	Int Thomson	10p to 24p
De La Rue	13p to 78p	McCord Russell	10p to 30p
Correll Dresses	10p to 15p	Smiths Inds	15p to 38p
CEC	12p to 67p	Standard Tel	10p to 50p
Inchcape	12p to 43p	Swire Pacific	10p to 17p

# BR to shut engineering works

British Rail Engineering, the manufacturing arm of British Rail, is to close its works at Ashford, Kent, later this year with the loss of 950 jobs, it was announced today.

BRE is also looking for a further reduction of 1,115 staff in its 34,000 workforce, which is spread over 13 main workshops.

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**Unions set to fight cutbacks at ICL**

**By Bill Johnstone**

Staff (Tus) have declared their opposition to any form of compulsory redundancy.

Two meetings are scheduled, one in Birmingham on June 20 and another on June 23 in London, to formulate a strategy to fight the company's plans.

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## AVON RUBBER COMPANY LIMITED

The result of the first half of the year was dominated by the cost of the major re-organisation referred to in the Chairman's Statement at the Annual General Meeting in February. The extraordinary items totalling £1,449,000 are made up by the disposal of Avon Medicals (£219,000); the disposal of Agricultural Engineering (£528,000); closure of the Swedish distribution company (£100,000) and reorganisation costs totalling £1,002,000.

The level of order from the majority of our customers appears to have stabilised but as yet we see no evidence of any general recovery in the national economy. In our European markets the strength of sterling is still adversely affecting volume and profit margins.

Whilst the performance of all of our non tyre related companies has improved, the severity of competition in the international tyre market continues unabated and this will make profitable trading difficult to achieve in the second half.

In view of the first half results no interim dividend will be paid on the Ordinary shares. On the 500,000 4.9% Cumulative Preference shares the half year dividend will be paid at the rate of 2.45p per share, amounting to £12,250, on 30th June 1981, to shareholders on the register at 12 noon on 15th June 1981.

	Half year to 30th April 1981	Half year to 29th March 1980	Financial year ended 27th Sept 1980
Turnover	78,298,000	81,153,000	155,688,000
Operating Profit before depreciation	1,828,000	4,594,000	6,710,000
Share of Profits of associated companies	30,000	110,000	125,000
Depreciation	1,858,000	4,844,000	6,835,000
Operating Profit after depreciation	259,000	3,116,000	4,002,000
Financing charges	1,773,000	2,332,000	3,162,000
(Loss)/Profit before taxation	(1,514,000)	784,000	840,000
Taxation	235,000	235,000	341,000
(Loss)/Profit after taxation	(1,514,000)	549,000	499,000
Minority Interests	(22,000)	29,000	48,000
(Loss)/Profit after taxation	(1,492,000)	520,000	451,000
Extraordinary Items	(1,449,000)		
(Loss)/Profit attributable to Avon Shareholders	(2,941,000)	520,000	451,000
(Loss)/Earnings per share	(22.8p)	7.6p	6.4p

**AVON** Avon Rubber Company Limited  
Melksham, Wiltshire, SN12 8AA.  
Tel. (0225) 703101





## Progress in Canadian oil dispute

Some progress was apparently made at a meeting between the Canadian and Alberta energy ministers held yesterday to deal with differences over oil pricing and other energy issues.

Mr. Marc Lalonde, the federal energy minister, and Mr. Mary Leitch, his Alberta provincial counterpart, announced, after a five-hour meeting in Banff, Alberta, that they intended to meet again in two weeks.

Neither would say exactly how much progress had been made, but Mr. Lalonde said: "We certainly didn't go backwards".

Yesterday's meeting was the second since Alberta began cutting its oil production in the spring in protest against federal oil pricing policies and new federal taxes on oil and natural gas.

The western province, which accounts for about 90 per cent of Canada's oil output, is only \$Can17.75 (about £3.50) a barrel. This is less than half the world price. The federal government, which controls oil prices in Canada, has been keeping them artificially low, to help industry.

## Honda parts for US

The United States subsidiary of the Honda Motor Company plans to build a car parts supply centre in Windsor, Locks, Connecticut in 1983, that will employ up to 150 workers, officials in Tokyo said.

## Swedish penalty rate

The Swedish Central Bank has cut the bank's penalty rate to 15 from 16 per cent effective today, a spokesman said.

## Germans build less

Rear Thomas Rogge, chairman of the German Building Association, said that domestic building orders fell a real 19.2 per cent from 1980, road building orders fell 31.2 per cent and underground building orders 32.6 per cent.

## Tobacco for China

China overtook South Africa as Zimbabwe's biggest export market in February, buying more than \$22m (£11m) worth of goods, most of it tobacco, a Tobacco Marketing Board official said in Salisbury.



Mr Ian Stuart, chairman of Stuart Crystal, outside the Redhouse Glass Cone

## £100,000 glass museum appeal

By Clifford Webb, Midlands Industrial Correspondent

The Red House Glass Cone, a Black Country landmark for more than 200 years, may be converted into a working museum for one of Britain's most famous craft industries, Stourbridge crystal glass making.

An appeal for £100,000 has been launched to restore the unique structure for public opening in two years' time. More than 100ft tall and 50ft wide at its base, it is the last survivor of a dozen or so similar brick-built cones which dominated the Stourbridge landscape until the 1930s.

Often likened to a giant beehive but with the top open to the elements, its shape was dictated by the need to produce intense heat from the coal-fired glassmaking furnace housed inside. Air was sucked in through tunnels and ejected with great

force through the 10ft opening in the roof. Working conditions for the glassmakers, grouped around the 12-pot furnace in teams of "chairs" as they are known locally, were appalling. In summer the heat was almost unbearable, and led to a tradition of heavy beer drinking similar to that found in steelmaking communities. In winter, snow and rain fell through the opening, mixed with soot from the walls, covering the workers with dirt.

The development of "superheat" furnaces fired by gas or electricity saw the gradual replacement of the cone by modern factories.

One after another they have fallen into decay, become hazards and have been demolished. Now the owners of the last Stourbridge cone, Stuart & Sons, have

launched the appeal to restore it as a working museum and visitors' centre. The West Midlands County Council and Dudley Metropolitan Council have promised help.

The move has sparked great interest in the Midlands. To test public reaction, Mr Ian Stuart, chairman, held two open days recently. More than 17,000 visitors swarmed on to the little canal-side site.

Yesterday he said: "It took us completely by surprise. But it was a wonderful surprise and gave us fresh heart to press ahead with an idea we have been developing for a long time. We are determined that this is one part of our heritage that will not go the way of so much of our industrial past, demolished and forgotten."

## Britain could gain dominant share of \$1,000m market

## Ferranti claims world lead with new chip

By Edward Townsend and Bill Johnston

Ferranti Electronics, the small but profitable high technology arm of the Ferranti group, announced this week a significant advance in silicon chip technology which could give Britain a dominant share of the world semi-conductor market in the next 10 years.

But the question that is bound to be raised in government circles and among electronics industry observers is whether the technological lead claimed by Ferranti will remain a British success, or will it be overtaken by the American and Japanese.

Ferranti says that its new product is several years ahead of world competition, but it admits that its lead could be soon eroded by a concerted drive from American competitors.

The new device, a semi-customized silicon chip, has not

attracted the attention of the electronic component manufacturing industry on a large scale, but according to Ferranti it could have a \$1,000m market in the next decade.

The new microchip process, called "uncommitted logic arrays" (ulias), concentrates over 10,000 electronic components on a single piece of silicon. The final connections between the components are made by the customer to suit his individual needs.

The original technology has been used on a fairly large scale over the past 10 years, but has never been able to match the obvious commercial uses of the microprocessor. The last decade was dominated by this sort of microchip, but the 1980s could belong to chips such as those designed by Ferranti.

While the market leaders in electronic components appear

to have ignored the application of these devices to consumer products, Ferranti has concentrated upon selling its device to a wide variety of manufacturers and now claims 30 per cent share of the world market.

Designers of cameras, radios, knitting machines and conventional household electric drills have harnessed the compactness and versatility over the last decade of this new technology.

Ferranti's hope of remaining in the forefront of the market, now depend on whether the company has the research and development resources to match the competition. Texas Instruments, one of the leading American producers, has committed itself to the technology, but has channelled its resources in providing the component for computers.

A recent survey by Machine

shows that the world electronics market will grow from \$363,000m in 1981 to \$845,000m in 1991, the main users being the United States, Japan and Western Europe.

The West European electronics market, currently about \$103,000m, will, by 1991, amount to about \$240,000m, excluding military uses.

Ferranti has received British Government financial aid for research and development (not much, it claims, as is provided by the French, German and Italian governments). It also has a foothold in the United States after its takeover of the Silicon Valley company, Interdesign of California, and its selling operations throughout Europe should help it to retain a big share of what promises to be one of the most lucrative electronics markets of the 1980s.

## LETTERS TO THE EDITOR

## Draft regulations on EEC trade marks Business names register

From Mr David O. Lewis

Sir, I would have expected Mr. Hunnington to "expect" rights in intellectual property rather than to espouse their destruction (June 5).

There are major aspects of the Community draft regulations on trade marks which require attention. These were discussed at a recent conference sponsored by the Trade Marks, Patents and Designs Federation, attended by Mr Hunnington, and include the proposed appropriation of the word "trade mark" to more than one mark for the same goods anywhere in the Community, the proposal that a proprietor must prove a serious likelihood of confusion between marks and the proposed inalienability of a registered Community Trade Mark against an interim injunction. All of these proposals must lead to confusion in the market place.

A trade mark represents goodwill built up with expense and effort only so long as it remains distinctive of the goods or services of its proprietor. If a writer has insufficient command of the language to need to resort to using a trade mark generally to describe the goods or services then scholarship has come to a poor pass.

Your columns have of recent months "weighed against" piracy. If a trade mark loses its distinctiveness as a result of generic usage then an open invitation is given to pirates to infringe without fear of retribution. The risk is ever present and increases with the success of the mark — as only a vacuum flask and vacuum cleaners will bring to mind.

Linoleum and aspirin were, and in the latter case still are, common words including trade marks. They were destroyed in this country by becoming generic.

While Caterpillar, Photostat and Yevo are registered trade marks in the United Kingdom respectively, no action can be taken against compilers of dictionaries if the marks are used, for infringement to like trade in the goods must occur. Erosion of distinctiveness arises — but has no remedy.

Perhaps both scholars and shopkeepers could be satisfied by altering the drafts to instruct the courts to ignore such misuse in dictionaries and to hold that once a mark has been registered it can never subsequently become descriptive. Unfortunately, this solution would only have effect within the Community.

However, Mr Hunnington has little to fear. This is yet another example of the pitfalls in legislation which await those who have never actually owned a trade mark. It is all bark and no bite. Neither draft makes any provision for a sanction against the publisher who does not comply with a request for acknowledgement.

Yours faithfully,

DAVID O. LEWIS,

Chairman, Trade Marks Committee, Trade Marks, Patents & Designs Federation, Centre Point, 103 New Oxford Street, London WC1A 1DW.

From Mr P. S. Taylor

Sir, Robin Young ("Making life harder for cheaters", June 8) in common with others, including the Opposition spokesman in the House of Commons, says that the Confederation of British Industry supports the Government's proposal to abolish the Register of Business Names. This is not so. We do not object to the abolition of the register as such, and we think that the Government's substitute proposals will secure the original objects of the register — identifying those behind a business name — at least as effectively.

We have, however, pointed out that the register has fulfilled a secondary and unintended, but nonetheless valuable, function of providing a list of business names in use. This list has enabled seekers after new names to avoid causing confusion, and it has provided some "protection" for existing names. We consider that alternative methods should be found for fulfilling this secondary function of protecting business names.

Amending trade mark law to enable service marks to be registered is one reform which we have long sought and provision of some form of voluntary register of business names is another suggestion which our Smaller Firms Council has long advocated.

Yours faithfully,

PHILIP TAYLOR,

Company Affairs Director, Confederation of British Industry, 103 New Oxford Street, London WC1A 1DU.

## Separate roles of design and marketing

From the President of the Society of Industrial Artists and Designers

Sir, When I wrote my letter (June 1) suggesting that the textile industry fight United States competition with more effective products, my main point was that management has failed to realize the full potential of creative design. The significant difference being that generally in the United Kingdom thinking is overworked and production oriented, while our competitors' thinking is outward and fashion oriented, in the broadest sense.

Now while I am pleased to have the support of the Director General of the Institute of Marketing, in my attempt to point the textile industry in the right direction, he nevertheless places me in something of a dilemma. My problem is that while I would agree that

marketing is a prime ingredient for commercial success, many of our current problems to my own personal experience, are the result of too much, not too little marketing. Far better no marketing at all than the wrong kind which is what, unfortunately the fashion, textile, wallcoverings, etc., industries have been getting.

The problem is that marketing tends to be science while styling and design direction is an art. The marketing man with his "market share" and his "town hall testing" all relevant practices at Cadbury's and Beecham's, fails miserably to understand personality, feeling, trends and the relevance of fine art and music to consumer products. "If you can't quantify it, you can't value it, on it, marketing can't use it."

It is true that there are many companies who are unaware of

marketing but the giants ICI, Reed, Courtaulds have spent fortunes on marketing and where has it got them? After all, when the British textile industry was at its biggest and strongest, marketing had hardly been invented. Marketing works for branded goods, but wherever the product has a "personality" that is, colour, design, styling, fact is, branding has a lesser importance. Obviously we all need to work together; let's hope we can. When we do let's have a little more art and understanding and a little less science.

Yours faithfully,

EDWARD POND,

President, Society of Industrial Artists and Designers, Nash House, 12 Carlton House Terrace, London SW1Y 5AR, June 8.

## Licensed dealers in securities

From the Chairman of The Association of Licensed Dealers in Securities

Sir, Your article on the regulations covering licensed dealers in securities (June 3) covers some pertinent comments on the present unsatisfactory situation. This association has been pressing the Government for some time to find space in the legislative programme to update the Prevention of Fraud (Investments) Act (1958). This, as you rightly point out, is primarily a product of pre-war thinking and has largely been rendered both

ineffective and inappropriate by the passage of time. The key changes in regulations which can only come from a new Act are:

- (1) The definition and regulation of the new profession of "investment manager";
- (2) A thorough reform of the licensing procedure both at the stage of the initial application and at subsequent renewals;
- (3) A distinction in legislation between those who seek to act as agent and those who seek to act as principal.

The response of the Government so far can only be described as lukewarm. It will be a tragedy if further cases like those of recent weeks have to occur before the authorities can be persuaded to act.

Yours sincerely,

ROBIN HODGSON,

Chairman, The Association of Licensed Dealers in Securities, 27-28 Lovat Lane, London EC3R 5EB, June 3.

## Some exporters think Bank of America only handles U.S.-based trade



## So how did we help Land Rovers get to Kenya?

In 1981, Land Rovers are helping Kenya's agriculture develop. BL are shipping Land Rover kits to CMC Holdings Ltd in Kenya, and winning new export sales in this huge market. £14 million of orders are involved, largely financed by Bank of America in London. Our ECDD team played a vital role.

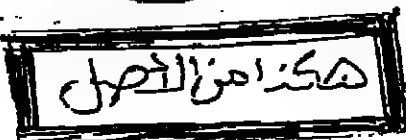
For other British exporters, we have set up complex transactions with our Trade Finance officers and Letter of Credit department, involving complete financial packages. We have arranged documentary collections in many countries. Wherever we have a local presence, we use it to save time and speed cash flow for our customers. We have also helped with every aspect of foreign exchange — from consultancy to contracts.

For trade finance, contact Michael Hall, Bank of America, 25 Cannon Street, London EC4A 4HN. Tel: 01-236 2010.

For every transaction, we have the resources and the presence necessary to deliver — from London. And so we should have. This year we celebrate 50 years in the City. We are also represented in Birmingham, Manchester and Edinburgh, with individual account officers to service your company's specific needs. They are backed by a team of specialists dedicated to delivering quality service on time. We are confident that this is the way to help British companies succeed in export markets.

Next time you think of trade finance, think of us. And our team.

**BANK OF AMERICA**  
Think what we can do for you.



## FRANCE 'IN DECLINE'

The French economic and social scene deteriorated sharply in 1980, recording the lowest growth in five years, a fall in industrial production and corporate profits, a decline in purchasing power, a worsening of the current account payments balance, stubborn inflation and record unemployment.

This is revealed in a detailed 100-page report published yesterday in Paris by the official Statistical Institute.

## Hill Samuel Group

Sir Robert Clark makes the following points in his Chairman's Statement:

\* Group profits after tax but before exchange differences and extraordinary items amounted to £11,293,000 compared with £7,688,000 in 1979/80.

\* Disclosed earnings per share rose to 17.37p compared with 11.94p last year — an increase of 45 per cent.

\* A final dividend of 4.8p per share net has been proposed by the Board which, with the interim dividend of 2.2p per share net, will make total dividends for the year of 7.0p per share net compared with 5.852p last year.

\* Disclosed banking profits of the merchant bank increased by 54 per cent following a rise of 51 per cent in 1979/80.

\* Insurance broking continued to incur losses, although an increase in brokerage income was achieved.

\* Other divisions performed satisfactorily, particularly shipping services where profits increased by 67 per cent.

\* It was a reasonably good year with many of our expectations realised but with scope for further substantial improvement in future years.

## Profit after taxation

Year to 31st March	1981	1980
	£000	£000
Merchant banking		
"Banking"	10,605	6,897
Investment profits	218	(94)
	10,823	6,803
Life assurance and investment management	1,158	1,182
Employee benefit services	1,604	1,964
Insurance broking	(1,401)	(1,551)
Shipping and other services	1,153	1,166
	13,337	9,564
Less: Central costs including interest	2,044	1,876
Profit before exchange differences and extraordinary items	11,293	7,688
Exchange differences	(475)	(1,753)
Extraordinary items	1,552	(969)
Total	12,370	4,966

\* after minority interest and transfer to reserve for contingencies.

Copies of the Report and Accounts containing the Chairman's Statement in full can be obtained from the Secretary.

Hill Samuel Group Limited  
100 Wood Street  
London EC2P 2AJ





BY THE FINANCIAL EDITOR

## Hill Samuel shakes off the past

Hill Samuel seems to have finally laid to rest the staid image of the past. After years of minimal profits, growth and virtually static earnings, after tax profits have this time leaped from £7.69m to £11.3m and earnings per share are up by 45 per cent to 17.4p in the year to March 31.

Significantly, this has been achieved without any help from the loss-making insurance broking side which did even worse. Rather the traditional merchant banking side has supplied the growth with profits up by 54 per cent to £10.6m after transfer to inner reserves, reflecting a good all-round performance and in particular the greater emphasis now placed on fee-earning activities. With its strong corporate client list, domestic advisory and underwriting fees were a record last year and the international side was only hampered by the tight competition in the Eurobond market. Otherwise overseas operations did better and money market activities very well, while commercial lending has seen some increase in volume although at very narrow margins.



Sir Robert Clark, chairman of Hill Samuel.

In contrast, Brown Shipley without either such broad international coverage or client base reported profits down from £1.5m to £1.5m yesterday, despite an improvement from insurance broking.

Encouraging trends in most of Hill Samuel's other non-banking activities have been largely disguised by non-recurring factors. Life and investment management for instance would have shown an improvement but for a non-recurring tax charge while employee benefit services had to bear the cost of opening the New York office and spending on computers. In fact, the only disappointment was insurance broking where pretax losses rose from £3.2m to £3.4m despite higher brokerage income.

However, this year should see improvement although not profit from Hill Samuel's insurance broking contributing to a steady rise in profit and given the new-found sense of direction at the group, the above-average 6.6 per cent yield at 151p after last year's one-fifth dividend increase should draw in line with the sector average.

### Staveley Industries Checks and balances

Tracking the progress of Staveley, the engineering and minerals conglomerate, is not easy, for all the placidity of a turnover down 6.5 per cent to £164.3m and profits unchanged at £7.3m pretax in the year to last February. In the first half-year, profits more than doubled, but this nearly reflected a battering the year before from sour Middle Eastern contracts; stated profits are complicated by the accounting treatment for streamlining; and in the past year no fewer than five divisions were closed and two sold, leading to a £1.1m attributable loss.

Once again, Staveley came through thanks to its knack of checking and balancing. In turnover terms, electrical and mechanical services again constituted the most important part of the business, accounting for £37.6m but its slightly higher profits were dwarfed by mineral products, chiefly salt. Foundries again lost money, machine tools and engineering commendably reported nearly £810,000 against £1m, and Salter, the weighing machine hope, scraped by with £16,000.

This year Staveley will go on juggling, but this time it does so without a long order book. The group is living from hand to mouth and can only say that recession is

growing no worse. However, both the £1.5m redundancy provision and the £5.5m written off "below the line" should cut operating costs, gearing has now dropped to 12.5 per cent, and profits would have to dive to uncover the maintained gross dividend of 18.6p a share. The shares rose 4p to 242p yesterday, where the yield is 7.6 per cent. Group emphasis is changing from heavy engineering to higher added value lines, but there is still plenty of recovery potential.

● Confronted by apparently contradictory pressures, commodity markets have been searching for some weeks for a clue to their price behaviour. The emerging conclusion is that the underlying trend is weak. Leaving aside the cocoa price, pushed into the doldrums by the Ivory Coast's persistent selling, most prices are falling or at best drifting without definite objectives.

High American interest rates are an important factor. While commodities, like currencies, respond adversely to high interest rates, the normal currency effect is for a stronger dollar to raise sterling commodity prices. Generally low volumes suggest that speculative attention has shifted away from commodities, so that despite the currency influence even sterling values are pointing downwards.

This influence is superimposed on metals suffering from poor industrial demand and tropical commodities which are widely thought to be—or to be soon—in oversupply. Industrial metals are particularly affected by the American economy, and regardless of how interest rates are moving commodity markets are saying that they have yet to be convinced that the Reagan Administration will revive the world's biggest market. At the same time, oil and coal, the two main tropical commodities, and the ones most traded in London, are promising big crops. The prospect of an effective new cocoa agreement is receding, and the International Coffee Organization is fighting to peg prices.

Even precious metals are not immune from this doleful combination. Gold scarcely reacted to events in the Middle East, and silver, still in large part an industrial material, is suffering from the depression in base metals. If we are in an era of high and perhaps competitive interest rates the outlook for commodity prices cannot be good. But even with lower rates, the markets will have to be convinced that the world economy is turning up before they react positively.

### 600 Group Switching the emphasis

600 Group's efforts to counter the recession at home with major cutbacks and an increased export campaign have not prevented profits tumbling by almost £5m to £4.8m. But at least the group has been able to exploit a strong balance sheet to switch its emphasis away from potential disaster areas on the steel side and towards those areas like machine tools and process control equipment where optimism still prevails.

Steel operations in fact plunged £3.7m into losses of £2.6m during a year in which the group shut down seven scrap depots. But the machine tool operations escaped with a profits fall of only £1.5m to £5.6m although most of the support came from strong overseas performances particularly in South Africa.

An extraordinary item of £1.1m covers the net costs of rationalization moves which have included two plant closures although redundancy costs have borne heavily on the pretax result. But at the same time 600 has used the recession to make some interesting acquisitions including Startrite Engineering and a 17 per cent stake in F. Pratt Engineering. Given the current bleak outlook in all sectors of engineering even the introduction of these new ventures will not produce a significant profits recovery this year.

A maintained dividend was sufficient yesterday to encourage the market to look further ahead and the shares added 21p to 71p where the yield is 10.6 per cent and p/e over 16 on a fully-taxed basis. This rating should be underpinned by longer term prospects and an asset value of around 130p but offers little scope in the short-term.

Henry VIII, who granted Trinity House its Royal Charter in 1514, would have admired the subtlety and resource with which the body and its allies the pilots have defended their interest against potential marauders in recent years.

Yet, in defending their interest, Trinity House, Britain's leading pilotage authority, with about half the 80 pilot stations around the coast, and the 1,500 self-employed pilots who actually provide the service, have greatly annoyed their customers, the ship owners, that cannot be good for either party.

Ship owners are fiercely resentful of new bylaws proposed by Trinity House for the London Pilotage District which would extend compulsory pilotage to large numbers of small ships that have managed without it. The bylaws would cost £600 or more a time—a sum so exorbitantly high, they say, as to dry up some trades altogether and drive ship owners out of business.

The true source of their resentment lies, however, not so much in the size of the proposed changes, but in the lack of apparent justification for it. Such comparisons as have been made in the past suggest little difference between the safety record of piloted and unpiloted ships.

It is not to dispute the value of specially skilled pilots to bring ships through specially difficult waters—a value recognized since time immemorial and acknowledged by ship owners, who have gladly paid to use them where appropriate. But the question of what is appropriate has not been satisfactorily settled, as the present dispute shows, despite prolonged investigation over the past decade.

The reason why it has not been satisfactorily settled seems from the outside to be abundantly clear: because two considerations between which there is no necessary connection—navigation and pilotage remuneration—have been inextricably intertwined.

Rightly or wrongly, ship owners are now convinced that changes are more likely to come from the outside than from the inside of Trinity House and the pilots than to improve safety.

Those interests are substantial. Though there are only 1,500 pilots, the cost of pilotage to shipping in Britain each year is £20m-£30m. Of this, about two-thirds goes to the pilots. All the pilots are in private business, sharing work and earnings through cooperatives at



In rough seas: proposals to extend compulsory pilotage have run into fierce opposition

## Why ship owners are taking on the pilots

each pilot station. In many cases, they also own the boats through companies in which they are shareholders.

Pilotage provides Trinity House with £15m of its total revenue of £35m-£40m each year. Loss of its pilotage role would be a serious matter to the United Kingdom Pilots' Association for 14 years before becoming Prime Minister of the Government that passed the 1979 Act had acted even earlier to manipulate the process of official inquiry to their own advantage.

The terms of reference of SCOP were "to consider... improvements in safety and efficiency of pilotage...". But in reporting to Mr Peter Shore, as Secretary of State for Trade, the committee brightly informed him that "our aims throughout have been safety, efficiency, and fair treatment of those engaged in the pilotage service". How the additional aim came to be added to the original ones is not explained.

No fair-minded person would question the case for fair treatment for pilots. But surely it is a separate issue from safety and efficiency. The logical way to proceed would have been to examine the public issues of safety and efficiency first (as was apparently intended) and then the private issue of fairness to pilots. To mix the two was asking for trouble and that is why there is trouble now.

One of SCOP's main recommendations was that pilotage should be made compulsory everywhere for vessels of over 50 tons instead of haphazardly as now. Exemption from that requirement would be based not on the type of ship (at present those under 3,500 tons in the home and coasting trade are exempt), but on the competence of the master or chief officer to navigate the waters concerned. Pilotage authorities were to conduct examinations.

This change seems sensible and has been made much of by pilots defending the present proposals. "How ridiculous to license an inanimate object (the ship) as safe to navigate," they sarcastically remark. "Might as well issue a driving licence to a car."

But there is a certain rough justice in the present system, on grounds not so much that small ships are less dangerous (though that is an argument, or why stop at 50 tons? why not require pilots on pleasure yachts?) as that coasters in the nature of their business are constantly around the coast and in and out of port and their crew might be expected to be skilled and experienced in that activity.

Small ship masters pilot their vessels in and out of port 15 to 20 times a month, according to recent evidence to the Pilotage Commission, compared with four times by a big deep-sea ship (and then probably pilot-assisted). Patterns of trade and business have been built up over a long period under the present system, which could be

devolved management of its local pilotage districts of which London, stretching from Harwich to Folkestone, is by far the biggest and most important.

It could be argued, too, that the pilots, also not without friends in high places (Mr James Callaghan was president of the United Kingdom Pilots' Association for 14 years before becoming Prime Minister of the Government that passed the 1979 Act) had acted even earlier to manipulate the process of official inquiry to their own advantage.

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severely damaged by abrupt change.

The recourse of these ships set out in the new proposals to obtain exemption certificates for their masters—is highly suspect among ship owners, not only because of the enormous time and administrative effort involved, but because, under a clause of the 1979 Act regarded by ship owners as iniquitous, pilots have the right to object to the issue of certificates if their jobs or income are threatened—a licence for pilots to print money—is how ship owners bitterly describe it.

The task of sorting out these problems belongs to the Shipping Commission, who advise and Mr John Biffen, the Secretary for Trade, who decides. It is not an enviable task.

Had the study been of safe navigation rather than pilotage, it might have recognized that with advancing technology new ways are emerging of guiding and controlling coastal ship movements. Sending out a man and putting him on a ship is only one way—and a costly and cumbersome one—of making coastal navigation safer.

The logical people to offer means of safe guidance in and out of port are the port authorities, compulsorily where appropriate. This is what is done in Rotterdam, one of the world's busiest ports. SCOP visited, where pilotage is provided by salaried staff of the port paid for by dues on all ships, not just those using it. And this is what is being done in Britain's new oil ports north of Scotland, where pilots are port staff with other responsibilities for ship control and safety.

Such a course was considered by SCOP, but apparently rejected on objections from pilots. If it were to happen, many would regret the passing of the independent pilot with his ancient lineage and fine tradition, his sturdy independence and dogged determination to survive. There must more over be sympathy for the pilot as declining traffic and growing freedom for EEC member states threaten his business.

But survival must depend on a willingness to adapt and to bow self-interest to the wider good. It certainly should not, and cannot, depend on testing unnecessary services on ship owners and, in the process, driving them out of business, too.

Michael Bailey

### Technology

## Television's new space race

The WE-SARC blueprint came into effect on January 1, 1980, and will, until December 31, 1982, be the basis for the new European Space Agency and America's reusable Space Shuttle. It might even be possible to arrange for a cheaper launching with one of the older American Delta rockets.

The company formed by the venture, Satellite Broadcasting Company (SBC), will lease out channels approved by the Government. An application for permission to operate and transmit from satellites over Britain has been made to the Home Office.

Yet there are still uncertainties about costs. Estimates made for the Government assumed that one of two satellites under development by the European Space Agency would form the basis for any system.

The first is the European Communications Satellite, ECS, and the other is called L-Sat (Large Satellite). The cost for development and launch of an ECS-type would be about £27m to £35m and for an L-Sat between £40m and £60m.

The ECS version would provide only a two-channel service for direct broadcasting over Britain and the L-Sat five channels.

A single Ariane model 3 rocket could launch two ECS class satellites or one L-Sat, but firm quotations about launch costs are not yet available. Similarly, it is difficult to be sure about the price of launches by the shuttle towards the end of the 1980s when the vehicles will be needed.

The overall costs, allowing for operating and the timetable for a replacement, are calculated, at the rate used by the Treasury, to evaluate public investments, at £14m to £16m a year for an ECS two-channel satellite and £10m to £11m a year for the L-Sat five-channel system.

British Aerospace is more in favour of the L-Sat because its extra capacity could allow a service to be provided to such countries as Iceland, Ireland, Spain and Portugal. These countries share the 31 degree west orbital position with Britain.

Pearce Wright

## Business Diary: Dumbo takes off • Sparks fly at CEBG

Luxembourg city is not normally regarded as a big Europe's liveliest capitals. But yesterday there were two circuses in town.

One was decked out with a traditional Big Top in a dusty square just across the road from the city theatre. The second was taking place a few hundred yards away across a ravine in the EEC headquarters.

The EEC event was the "Jumbo" Council of Ministers meeting, at which the EEC's economic, finance and labour ministers gathered to mull over the problem of unemployment.

Rarely has a meeting been awaited with such anticipation in so many national capitals. The Jumbo was originally thought up by the Dutch, who have been holding the presidency of the Community for the first six months of this year, and for a long time was practically cold-shouldered by the other member states.

But, in the event, yesterday's meeting turned out to be better than most participants had expected. With only 21 ministers there, compared with the widely canvassed 30 to 40, it was less of a bureaucratic jungle than had been feared.

The French delegation, still in the first flush of election victory, actually came up with some new ideas on how community policies should operate.

It remains to be seen whether the jumbo will spawn a series of follow-up councils—ready being dubbed "dumbos"—but the overall feeling in Luxembourg was that yesterday's event was far from being a white elephant.

### Wallchart

I SEE THAT THE INSTITUTE OF PURCHASING AND SUPPLY HAS PUBLISHED A LIST OF COMPANIES WHO OFFER 'INCENTIVES'...

● A stand-up row has flared between Glyn England, the chairman of the Central Electricity Generating Board, and SDP luminary Michael Barnes, chairman of the Electricity Consumers' Council, over the recent report on the industry by the Monopolies Commission.

The report attacked the board's method of assessing investment in new power stations, concluding that it was against the public interest. England was evidently incensed by the press statement put out by the consumer body, which claimed that faulty investment decisions had cost consumers millions of pounds in higher prices and pointed out that electricity prices had risen five times in the past two years—by 70 per cent overall.

At a special meeting two weeks ago the consumer council insisted on brushing aside the prepared agenda and proceeded to lambast the assembled company on the offending press release, line by line. He apparently contrasted the poor relations the board

had with the central consumers' council with the good relations it enjoyed with the regional consumer committees (which have in general been far more reluctant to criticize the industry).

He reserved special venom for the consumers' council's staff who, he said, were "on probation" as far as the generating board was concerned.

The thinly veiled threat is that unless Barnes and his council behave themselves in future the CEBG will refuse to supply it with information or consult it on matters of interest. And the consumers' council has no powers to force it to do so.

Consumers may perhaps find it disturbing that a huge state monopoly can try to bully the organization appointed to represent their interests into quiescence by threatening to withdraw cooperation. Without information, consumer watchdogs become lapdogs. They are equally handicapped if the information is given to them only on the promise of good behaviour.

IT'LL BE INTERESTING TO SEE WHETHER THE INSTITUTE OF SALES MANAGEMENT PUBLISHES A LIST OF BUYERS WHO ACCEPT THEM...

● Who should be in town next week but the creator of many an electrical storm in United States policy-making, the former national security adviser to President Carter, Zbigniew Brzezinski.

"Zbig" like Henry Kissinger before him, is busy producing his apology at the Georgetown University Centre for Strategic Studies in Washington. He is in London, however, as financial adviser to the United States stockbrokers and investment bankers Dean, Witter, Reynolds, and is to be their guest of honour at a Savoy lunch on Wednesday.

DWR probably need a security adviser rather more than a financial one at the moment. They, or rather their clients in American electricity generation, are feeling a little insecure after a recent Economist article headlined: "The Lights are going out over America's utilities."

On Friday DWR will produce six presidents of United States utilities at the Savoy to dispute the magazine's contention.



Leweston Smith, Chairman of the Board of Directors

## Morgan

Results for the First Quarter 1981 (unaudited)

	1981 1st Quarter £000's	1980 1st Quarter £000's
Sales to Third Parties	29,127	32,463
Trading Profit	1,341	4,083
Profit Before Taxation	519	3,275
Profit Before Tax per Share	0.9p	7.5p
Earnings per 25p Ordinary Share	0.4p	4.8p
Trading Margin	4.6%	12.6%

### The Chairman's comments:—

In April we reported a slight improvement in orders for our United Kingdom factories. This trend has continued and we join the ranks of those who believe that the United Kingdom recession has passed its lowest point.

It is not yet possible to discern the prospects for the year but quarterly profit figures should progressively improve. A wary eye must be kept on the markets of Continental and Eastern Europe but so far our overseas companies are faring well.

Copies of the Annual Report for 1980 may be obtained from the Secretary of the Company.

The Morgan Crucible Company Limited

98 PETTY FRANCE, LONDON SW1H 9EG

Ross Davies



## FINANCIAL NEWS

## Stock markets

## Rights issue fears inhibit investors

Persisting fears of a large rights issue—BP is still the prime suspect—continued to cloud the market yesterday.

The nervous conditions inhibited investors once again for an extremely quiet day's trading. Interest was confined mainly to company results and special situations. Many dealers are convinced there is an issue in the pipeline, whether it is BP or not is still speculative. Several of the defence stocks, with results in two weeks are also being cited as potential sources.

Virtually all sectors came off their best and the defence shares were particularly dull, awaiting the Government's statement next week on possible spending cuts and changes in financing after Westland's recent profit warning.

The gilt market reversed gains after three days of renewed confidence on the back of fading prospects of a rise in interest rates. But sterling's fall against the dollar was a weakening factor. Longs, after opening at overnight levels, were easier during the day. A small recovery saw them end 1/2 to 1/4 down. Shorts drifted, to end 1/2 lower on the day. Dealers reported only small interest.

After a 1.5 fall to 540.8 at 10 pm, the FT index suffered a sudden drop to 7.5 by 3 pm. It recovered slightly, to close 6.1 lower at 526.2.

Dealers in leading equities reported very small movements during the day and a complete absence of investment inter-

est. Today is also the end of the account, adding to the subdued trading. Investors appear to be nervous of a prospective cash call.

Of the blue chips Lucas were a weak spot after comment on labour problems and the troubled state of industry in the Midlands, the shares lost 5p to 189p. ICI gave up 27p to 222p, and Fisons dropped 5p to 141p. Hawker Siddeley eased 4p to 312p, Blue Circle 8p to 462p and Glaxo 4p to 360p.

GKN were 3p lower at 150p and Bowater 5p to 262p. Pilkington, ahead of today's results, fell 7p to 293p. Metal Box eased 2p to 176p and

British Aerospace 6p to 219p. Jobbers in engineers reported a mixed day's trading, brightened by one or two good results from companies report-

ing. After its recent profit warning Westland Aircraft gave up 7p to 136p, but Hanson Trust rose 7p to 281p after figures the previous day.

Pretax losses clipped Fairline Boats 2p to 48p, Ariel Industries 2p to 26p and Burco Dean 2p to 6p. Sidlaw Industries rose 5p to 152p after satisfactory

earnings, but lower profits saw Valor off 11p to 641p.

Electrical shares were depressed by the impending Government review on defence spending and Westland's warning over Government financing for start-up projects. Most shares were off the top, with GEC down 12p to 371p and Plessey 5p to 388p. Rasal lost 7p to 353p and Thera EXL, despite news of new joint European video venture, were 6p down at 374p.

News International's statement that it will be content to hold its stake if the bid fails depressed William Collins. The "B" shares fell 30p to 223p and the "A" shares gave up 8p to 148p. Plysa, after the earnings setback and scrip issue, put on 3p to 92p.

Equity turnover for June 10 was 223.394m (bar gains, 14,410). Active stocks, according to the Exchange Telegraph, were Westland Aircraft, GKN, BP, Guardian Royal Exchange, Royal, Polly Peck and Barclays Bank.

Traditional options: Dealers reported moderate activity to the declaration day. Calls were made in Western Areas, Singo Holdings, Tomatin Distillers, ICL, Tesco, Pilkington, AGS Research, and Phoenix Timber. A put was arranged in Savoy "A" and Shell.

Traded options: A total of 1,424 contracts were completed. BP attracted 36, Cons Gold 29, GEC 47, ICI 54, Land Securities 23, Lascor 15, M and S 37 and Loocho 27.

## Collins' rejects News bid

William Collins' board has responded to News International's formal offer document for the Glasgow-based publishing group by writing to shareholders, advising them to reject the bid.

Mr Ian Chapman, Collins' new chairman, said that he would be writing shortly to explain why the board recommends that the £227.5m offer should be rejected. Meanwhile, News International has acquired a further 4,000 shares in the company for 200p each, the offer price, and now hold 31.39 per cent of the ordinary shares.

Yesterday Collins' ordinary shares slumped 30p to 223p and the A shares were down by 53p to 103p.

In its offer document, published on Wednesday, News International said that it accepted the possibility that it would not receive enough acceptances for the offer to go unconditional.

"In that event News would be your company's largest shareholder, an outcome with which we would be content," said Mr Rupert Murdoch, chairman of the News group.

News International's offer followed the purchase of a 30 per cent voting stake from trusts of the previous chairman, Mr Jan Collins.

Mr Robert Maxwell, of Persimmon Press, held an 8 per cent stake at the time which he has since raised to 10 per cent. The first closing date is July 2.

## Wigfall shares steady after fall and payout cut

By Rosemary Unsworth

Henry Wigfall's profits slipped by 40 per cent last year, but a final dividend of 3.57p has been proposed, the only payment for the year. The final has been cut from 15p gross and the total for the year falls from 19.3p gross. The shares held steady at 170p after the announcement where the yield is 5 per cent.

Premax profits were down from £1m to £634,000 in the 12 months to March 28, 1981, and turnover rose by £1m to £45.3m. Sales by unit were different last year, however, as the group concentrated more on television where new technology has improved interest and better margins exist.

The television rental and 150 shops, reported that the electrical retailer, which has a number of rental customers had fallen because of the termination of existing contracts, as well as because of a general trend, evident throughout the industry, away from rental and towards purchase. But the introduction of video recorders, which are heavily rented, would change to some extent.

Mr Richard Morrell, managing director, said that there was no evidence that consumers had cut back on the replacement of white goods

rather than televisions during the recession, except that they had perhaps made equipment last a bit longer. He pointed out that gross margin targets were achieved last year and that was why the year had decided to recommend a final dividend despite the profits fall.

He added that, at present, trading conditions remained depressed, although unit sales are currently higher than at this time last year. A major reorganization programme launched at the beginning of last year was also helping to combat the continuing pressure on trading margins.

The group's bad debt provision will be shown in the annual report. Mr Morrell declined to comment on whether it would be greater than the previous year's £1.6m. But unlike 1979/80, there are no redundancies and closure costs this time. Since the end of 1980 the group has employed a special, fulltime debt collector and Mr Morrell said a clearer picture of this success would emerge later in the year. Last year the group sold its finance credit to Trinity Finance.

After tax profits amounted to £499,000, against £778,000, but under inflation accounting there was a pretax loss of £3,000.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Ariel Inds (F)	7.17(8.5)	0.13(1.02)	2.3(17.1)	0.8(1.62)	18.9	1.35(2.7)
Brown Ship (F)	—	1.34(1.81)	—	7.5(7.5)	1/8	13.0(13.0)
Burco Dean (F)	13.3(15.5)	0.18(0.37)	—	0.1(—)	7.8	—
Carlton Real (F)	1.31(0.69)	0.06(0.05)	1.26(0.96)	0.5(—)	—	—
A. Cohen (F)	34.7(33.19)	1.94(1.76)	56.4(45.8)	4.9(—)	28/8	7.5(6.8)
Continous Ste (F)	3.89(3.55)	0.33(0.44)	4.53(4.35)	1.7(1.7)	5/8	2.15(2.13)
Cullen's 89p (F)	—	0.65(0.45)	—	3.29(3.6)	—	4.29(5.0)
Electra Inv (F)	—	7.39(6.64)	2.8(2.61)	1.5(1.37)	31/7	2.68(2.33)
Fairline Boats (F)	1.62(1.52)	0.09(0.26)	—	0.5(1.7)	8/7	—
F. Finlay (F)	95(93.34)	1.13(1.03)	16.6(17.1)	3.25(3)	27/7	6.25(5.75)
Gl Portland (F)	—	10.2(7.02)	6.4(5.0)	4(3.2)	4/9	3.0(4.0)
Hill Samuel (F)	—	11.2(7.69)	17.37(11.94)	4.8(4.02)	20/7	7.0(5.85)
Plysa (F)	16.3(17.3)	1.39(2.33)	10.5(14.5)	1.4(1.2)	23/7	2.07(1.89)
Sidlaw Inds (F)	15.3(17.3)	0.25(0.19)	—	2.5(1.3)	11/8	—
500 Group (F)	148.5(190.8)	4.76(5.65)	25.5(19.2)	2.8(2.9)	31/7	3.25(5.25)
Staveley (F)	16.2(17.5)	7.32(7.31)	30.5(41.7)	8.5(8.5)	4/8	13.0(13.0)
Summie Clothes (F)	3.7(4.9)	0.07(0.02)	9.23(1.79)	1.5(1.5)	—	1.5(1.5)
Valor (F)	48.7(50.3)	1.22(1.51)	7.48(17.33)	1.99(1.89)	—	2.66(2.66)
W. Wigfall (F)	45.3(44.2)	0.63(1.07)	9.6(14.3)	6(10.3)	—	6.0(13.3)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.423. Profits are shown pre-tax and earnings are net. \*—adjusted for scrip issue. †—loss. ‡—gross revenue for both years. §—profit after tax.

This advertisement has been issued by British Sugar Corporation Limited

HOW MUCH  
WOULD YOU EXPECT  
TO PAY FOR  
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CORPORATION LIMITED  
THE RECORD SPEAKS FOR ITSELF

The publication of this advertisement has been approved by a duly authorised committee of the Board of British Sugar Corporation Limited. Each Director has taken all reasonable care to ensure that both the facts stated and the opinions expressed herein are fair and accurate. Each Director of British Sugar Corporation Limited accepts responsibility accordingly.

## Briefly

Barr and Wallace Arnold Trust: In his annual review, chairman, Mr J. Malcolm Barr, states that while it seems likely that the motor division will return to profitability, he does not expect the leisure and holidays division to perform as well as last year. Groups should achieve a modest profit.

Horticon Travel: Board says 3,372m (95.81 per cent) shares provisionally allotted under rights issue have been taken up.

Fairline Boats reports that most of loss on trading is accounted for by foreign exchange losses. All new export sales are now being made in sterling, with no exchange rate guarantees. Second half results will show an improvement over those of first. Balance sheet remains strong, and there should be further recovery in 1981/82.

Owen Owen: At the end of the first quarter, the established stores in the United Kingdom and Canada showed a small improvement in operating results over the same period last year, despite a lower contribution from the F. J. Hughes Group on Merseyside. The board expects this pattern to continue during the remainder of the first half.

Allied Leather Industries: Demand for shoe repairing increased during the year. But the serious situation in the shoe manufacturing industry is having inevitable consequences for the company's nurseries. This is affecting the company's ability to maintain volume and margins. The decline in trade in the Walsall group of saddlery and leather goods manufacturers has continued throughout the year.

Carlton Real Estates: Turnover for 1980, £1.51m (£594,000). Profit, after tax, £85,000 (£52,000). Dividend: 0.5p (nil). Company is to buy Rogan Ltd, a privately owned property, for about £1.85m.

National Electric Construction (member of the BEX Group): Pretax income for 15 months to March 31, 1981, £752,000 (£576,000 for year to December 31, 1979).

BEP: Surat Basin Exploration well, Warroon Two, has been plugged and abandoned as a dry hole and converted into a water well after reaching a depth of 2,195 metres.

Hofis Bros and BSA: Industrial Equity (Pacific) has purchased 600,000 ordinary shares, bringing their total holding to 1.32m shares (14.63%).

Tri-Basin Resources: A private placing of common shares in the Vancouver-listed company, Tri-Basin Resources has been made in London by brokers Earnshaw Haes & Sons with the assistance of Waiwyn Stogell Cochran Murray. The company is participating in a gas and oil play in the Austin Chalk Belt, north of Houston, Texas, on the Lake Somerville Property which has a potential of 28 wells.

Allied Plant Group: In his annual review, the chairman, Mr Michael Heathcote, reports that prospects are good and investment opportunities are being investigated under which the group will acquire businesses providing services to the construction and allied industries.

## Great Portland pleases market

Great Portland Estates, most of whose properties are around London's Great Portland Street and the City, yesterday pleasantly surprised the City with an increase in pretax revenue of as much as £3.2m to £10.2m, leaving some estimates of £9m well behind.

The actual advance of nearly 46 per cent compares with the 37 per cent increase in the first six months. Profits then were helped by the absence of exceptional items arising from the refurbishment of buildings. In 1980, such items absorbed £570,000.

There was also no transfer this year in respect of net outgoing attributable to properties in course of development. Last year this item cost £101,000.

Equally well received was the increase in gross dividend from 5.72p to 7.15p a share, the decision to make a scrip issue of one-for-five and the stated intention to maintain the dividend on the new share capital. The rental income advance reflected the full impact of recently completed developments coming on stream and good progress should continue. The portfolio is of the highest quality—very little of it is in the provinces—roughly three-quarters is in offices, a quarter in commercial properties.

In the past year, the group would have had rent reviews on 121,000 sq ft of offices at 183-211, Old Street, receipt of full benefits from acquisition and completions and lettings. Great Portland is also noted for a strong cash-flow and has ample cash balances for further development, but little of this is at present going on. The shares rose 6p to 232p, but on some City estimates the discount to assets is now a narrow 20 per cent or so.

## Rothmans plans Singapore move

Rothmans of Pall Mall (Malaysia), which is 50 per cent owned by Rothmans International, is to float off its Singapore operations into a separate company, quoted on the Singapore Stock Exchange. The move is to avoid complications in the Malaysiaization programme, under which 30 per cent of companies registered in Malaysia must be owned by Malay nationals. There is little point in the Singapore interests being drawn into the Malaysiaization programme. Details of the plan will be announced later. Shareholders of Rothmans of Pall Mall (Malaysia) will receive shares in the Singapore company in line with their holdings in the Malay company.

## THE YOUNG COMPANIES INVESTMENT TRUST LIMITED

Directors:  
D. A. Reid (Chairman), R. C. Callinan,  
G. M. Murray F.F.A., J. Hodson

## CHAIRMAN'S STATEMENT

Income for the year ended 31st March, 1981, proved to be mildly disappointing after the exceptional rise in the previous year, partly because several of the companies in which we are invested either cut or omitted their dividends. Net revenue after tax amounted to £287,350 against £285,000 in the year to 31st March, 1980. Your Directors are recommending net dividends totalling 5.0p per share against 5.0p per share for the previous year.

During the year, the net gain on the Financial Times Actuaries All Share Index was 28.85%. Our net asset value per share, taking investments at market value, rose by 27.28%. This is the first time for six years that our portfolio has failed to out-perform the Financial Times Actuaries All Share Index. Since the date of subscription in 1972 the Index has risen by 36.78% and our asset value has risen by 55.16%.

The revival of the new issue market and the development of the United Securities Market has given us the opportunity to invest in some exciting young companies. We have also made a significant move this year in diversifying our investments. The date of subscription in 1972 the Index has risen by 36.78% and our asset value has risen by 55.16%.

As anticipated in my statement last year the recession during the past year has been very severe and some of the companies in which we are invested suffered badly. There are some tentative signs that the worst of the recession is over although it is too early to anticipate the spread or the extent of any recovery, but we do not anticipate that we will suffer any significant dividend cuts. We believe that many of the companies in which we are invested will continue to prosper and that we should at least be able to maintain our dividend.

Desmond A. Reid  
The Investment Managers of The Young Companies Investment Trust Limited are Singer & Friedlander Limited.



## FINANCIAL NEWS

## Valor optimistic despite 40% fall

By Margaret Pagano

Pretax profits at Valor, Britain's only independent gas appliance maker, were hit last year by high interest charges and redundancy costs.

They fell 40 per cent to £1.5m in the year to March 1981. Sales were also depressed at £48.7m, a drop of £1.6m. But trading profits held up well at £4.28m compared with £4.49m. Shareholders get an unchanged final dividend of 2.5p gross, making the total 3.8p gross for the year.

Mr Michael Montague, chairman, said yesterday that the group was extremely pleased with results considering that demand from the public had virtually dried up for a couple of months. Lower profits, he said, were due to the high interest charges incurred in financing massive stocks which were not sold. This will not be repeated.

At one time group borrowings reached £5m causing interest charges to rise from £783,000 last time to £1.28m. Borrowings were new under control, he added, and at the year end cash balances were £3.5m compared with £2m.

Most of Valor's plants were on short-time during the year and 500 employees were made redundant, leaving the United Kingdom workforce at about 2,000. This cost £250,000 which was taken above the line. All factories, except one, are back to a five-day week.

Mr Montague is optimistic for the present year: "I see no recovery in the economy yet but

I do not think there will be any dramatic downturn." Interest charges this year are expected to be lower than in 1979 and the group has seen improvements in the first three months. The dip in profits from exports to £2.4m against £3.4m last time is blamed on the high exchange rate. He believes that the lost ground can be maintained.



Mr Michael Montague, chairman of Valor.

Earnings from Valor's entry into the energy field are also expected this year. Its 30 per cent interest in ten gas wells from the drilling programme in the United States should show results in November to December. Valor also applied for a block in the English Channel with Union Oil.

## Flurry of activity at property developer

The Property and Reversionary Investment Corporation is developing, once more.

The Drapery, Northampton, comprises three shops, being let to a fast-food chain. In Sutton, Surrey, a new building is due for completion by the end of the year and planning consent has been won for offices at Rayners Lane, Harrow. Approval has been granted for an office development in Borough High Street, and Great Dover Street, SE1, and approval in principle has been received for a factory in Farnborough. The Rayon Garden premises are being turned into industrial nursery units.

Detailed planning consent has also been granted for the development of the important 17-acre industrial estate at Frimley, Surrey, close to the M3 motorway. The group has 51 per cent of the developing company.

The accounts show a 15 per cent increase in net asset value to 235p a share at the end of March. Of the investment properties, 82 per cent are in Central London and 80 per cent are freehold. Offices accounted for nearly £26m, and shops £12.6m.

Kennure Oil Exploration is to raise about £350,000 (Irish) by a rights issue of 1.42m new ordinary shares at 25p (Irish) each on one-for-five basis. Issue underwritten by Cluff Oll; brokers: Dodgson and Pamure Gordon.



## No sign of upturn at P and O

Lord Inchcape (pictured), chairman of P and O, had gloomy news for the shipping group's shareholders at the annual meeting in London yesterday. He said that since writing his statement conditions had, if anything, deteriorated. Continuing disruption of traffic at Southampton was particularly affecting Overseas Containers Lines and markedly weaker oil prices were hitting P and O Flaco in the United States.

First-half results would therefore be worse than those of 1980, he said. But he added that he saw no reason to change his previous statement that profits for the full year at the post-tax level should be broadly maintained.

He also made it clear that the major remaining con-

straint to further investment was that profits were still not high enough to enable the group to replace the assets in all of the existing businesses without increasing borrowings.

"The decision still facing your board is not so much where to expand but which of our present businesses we intend to maintain and which we shall have to run down or sell," he said, citing the Liverpool-Belfast ferry as one possible closure.

He also explained that the directors now had considerable doubts about the extent to which the group should stay in shipping. "We will certainly remain in some areas of shipping, and I expect we will have more of our assets invested in shipping for the foreseeable future than in any one of our other businesses," he said.

## Schering expects slower growth

Schering AG, the West German chemical and pharmaceutical group, sees a further improvement in earnings this year, but said it does not expect the 1981 growth in consolidated net profit to keep pace with the 53 per cent earnings rise to Dm73m (£15.5m) in 1980. However, first-quarter turnover gains point to an altogether positive year.

Group sales in 1981 are expected to reach Dm3,900m, up 18 per cent from Dm3,220m last year. Consolidated sales in the first quarter of the current year rose 16 per cent to

Dm1,300m against the same 1980 period.

Schering's world group profits climbed to Dm77.7m last year.

## International

from Dm57.7m in 1980. The profit of Asche AG, pharmaceutical distributors formerly held by Schering subsidiary Currys GmbH and fully acquired by Schering in early 1980, was directly included in the group's profit for the first

time and had inflated earnings figures of the group. However, the inclusion of the Asche AG profit was a "one-time occurrence" that would not be repeated.

From 1980 net earnings, Dm20m were allocated to reserves, up from Dm10m in 1979. Schering had announced previously that it is offering stockholders an unchanged dividend of Dm9 per share.

## Montedison-Sogam

Private Italian groups, seeking the takeover of a 17 per cent stake in Montedison from public companies, reportedly agreed to pay 235 lire a share for the parcel held by Sogam, reliable sources reported in Milan.

## CGE up 20 pc

Cie Generale d'Electricite (CGE), a leading French electrical and electronics group over which hangs the threat of nationalization, reports that its 1980 consolidated accounts show a 20 per cent increase in net income to 560m francs (about £50m). The share of net earnings accruing to the group rose by 28 per cent to 407m francs.

## Creusot-Loire loss

Creusot-Loire, a French heavy engineering and steel producing group, incurred a consolidated loss of 105.8m francs (£9.5m) last year, sharply down from the losses of 253.6m francs in 1979 and 359.1m francs in 1978. While the 1980 result indicates a marked improvement, it still falls short of Creusot-Loire's hopes of breaking even.

## Gold mine reopens

Gold mining is to start up again in Sumner and Jack's acreage around Germiston on South Africa's Kimberley Reef.

The mine stopped production in 1964 but there are roughly 23m tons of surface deposits and slimes in the acreage which could yield an average of 0.68 grams of gold per ton. When gold is above \$465 an ounce, its extraction from these deposits becomes worthwhile. Gold was fixed at \$464.5 in London yesterday.

Though Sumner and Jack own the Germiston acreage, the rights to exploit the surface and underground resources to 1,174 metre deep of the Kimberley Reef are owned by Garbin Holdings. Since Garbin is

beneficially owned by Anglo America Corporation (AAC) and its associates, including Anglo American Gold, a deal has been worked out with AAC and AngloGold over an approach to AAC from the Sumner and Jack board earlier this year.

Complete ownership of Garbin will be transferred from AAC, AngloGold and others to East Rand Gold and Uranium (Ergo) in exchange for a million shares worth roughly £850,000 (about £425,000). Ergo is 11.65 per cent owned by AngloGold.

Garbin's previous owners will then lead it the full amount of its after-tax spending on the project with Sumner and Jack, which will cost about R55m.

## ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)

## NOTICE TO HOLDERS OF ORDINARY SHARE WARRANTS TO BEARER PAYMENT OF COUPON NO 95

With reference to the notice of declaration of dividend advertised in the press on 3rd June, 1981, the following information is published for the guidance of holders of share warrants to bearer. The dividend of 75 cents per share was declared in South African currency. South African non-resident shareholders can, at 9.28792 cents per share, be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 65.71208 cents per share.

The dividend on bearer shares will be paid on or after 24th July, 1981, against surrender of coupon No 95 detached from share warrants to bearer as under:

(a) At the offices of the following continental paying agents:

Credit du Nord,  
Paris 9e.  
Banque Bruxelles Lambert,  
2 Rue de la Regence,  
1000 Brussels.  
Societe Generale de Banque,  
3 Montagne du Parc,  
1000 Brussels.  
Swiss Bank Corporation,  
1 Aeschenvorstadt,  
Basle 4002.  
Banque Internationale a Luxembourg SA,  
2 Boulevard Royal,  
Luxembourg.  
Union Bank of Switzerland,  
Bahnhofstrasse 45,  
Zurich.

Payments in respect of coupons lodged at the office of a continental paying agent will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding disposal of the proceeds of the payment so made can only be given to such authorised dealer by the continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 40 Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:

(i) in respect of coupons lodged prior to 16th July, 1981 at the United Kingdom currency equivalent of the rand currency value of their dividend on 14th July, 1981 or;

(ii) in respect of coupons lodged during the period 16th July, 1981 to 15th July, 1981 both days inclusive at the United Kingdom currency equivalent of the rand currency value of their dividend on 20th July, 1981 or;

(iii) in respect of coupons lodged on or after 16th July, 1981 at the prevailing rate of exchange on the day the proceeds are remitted, through an authorised dealer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10.00 a.m. and 3 p.m. United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such declaration is made, the net amount of the dividend will be the United Kingdom currency equivalent of 75.50 cents per share in terms of sub paragraph (b) above arrived at as follows:

	South African Currency Cents Per Share
Amount of dividend declared	75.00000
Less: South African non-resident shareholders' tax at 12.3839%	9.28792
	65.71208
Less: U.K. income tax at 17.6161% on the gross amount of the dividend of 75 cents	13.21208
	52.50000

For and on behalf of  
ANGLO AMERICAN CORPORATION  
OF SOUTH AFRICA LIMITED  
J. C. Green-Smith  
London Office:  
40 Holborn Viaduct,  
EC1P 1AJ,  
11th June, 1981

Note: The Company has been requested by the Commissioners of Inland Revenue to state:  
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 17.6161% instead of the basic rate of 30% represents an allowance of credit at the rate of 12.3839%.



## Growth rating 1966-1981

	%
1. Racal	+5569
2. Ladbroke	+3592
3. Ultramar	+3588
4. Electronic Rentals	+3579
5. <del>Ilford</del>	+3281
6. Trafalgar House	+2921
7. Electrocomponents	+2854
8. BTR	+2111
9. Tricentrol	+1762
10. De La Rue	+1269
11. GEC	+1181
12. Northern Foods	+1105
Research by Extel Statistical Services	

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## FINANCIAL NEWS

## Plysu pays more despite 40pc fall to £1.5m

Plastics containers and housewares manufacturer, Plysu, saw pre-tax profits fall two fifths to £1.4m in 1980-81. It concentrated on improving its range of plastic housewares in the second half but demand for plastic containers, its major market, was depressed. New products and machinery meant that housewares sales and margins improved towards the end of the year and the division's sales are now running at record levels. The dividend has been increased by almost 10 per cent to 2.37 pence.

While Plysu's industrial customers are in recession, demand for 5-litre and 25-litre plastic containers remains weak. Last year they provided two-thirds of the group's £16.3m turnover, which was down from £17.8m.

However, Mr Charles Sumner, chairman, expects Plysu to do slightly better this year even without any economic improvement. "Given any sort of recovery in the economy, we are going to move forward very smartly," he said yesterday.

Plysu managed to eliminate all debt by the end of the year, paying only £70,000 in interest against £164,000 for the whole year.

Capital allowances on new equipment for containers and housewares cut tax from £69,000 to £220,000. A one-for-10 scrip issue is planned to try to improve the marketability of the shares.

## James Finlay improves

By Catherine Gunn



Sir Colin Campbell, chairman of James Finlay.

Glasgow-based international trader, James Finlay made £11.4m pre-tax, up from £11m, in the year to December 31—reversing three years of profits decline since its record year in 1977, when it made £15.8m before tax. The group is headed by Sir Colin Campbell.

Weak tea prices were still a brake on group profits last year, but other operations did well to compensate for a declining share of profits from plantations. Mr Stuart Stephens, deputy chairman, said yesterday. Finlay's other businesses range from investment in the North Sea to merchant banking and making confectionery, and are being built up as tea profits fall.

Dividends for the year have risen 8.7 per cent to 8.93p gross. The shares gained 2p to 121p yesterday. There is to be a one-for-two scrip issue.

Turnover rose from £93.3m to £95m and trading profits jumped from £9.75 to £11m, including

£1.77m from the sale of shares in Lasso, and dividends from North India plantation, Tata-Finlay, which is no longer classed as an associate company. As a result, associate profits were lower at £389,000, against £1.244m.

The 1979 trading profit included £2.25m from the sale of investments. Finlay had about 500,000 Lasso shares left at the end of 1980, Mr Stephens said.

Once again this year's outcome will depend considerably on tea prices which are only slightly better so far, though it will be near the end of 1981 before the performance of this seasonal operation is clear. Meanwhile, with other operations doing better on balance, the group is reasonably optimistic about the outcome for the year.

## Burco Dean halved in first six months

Domestic appliance group Burco-Dean was still in the red in its first half but is now trading profitably.

In the six months to March 31, pre-tax losses came to £183,000 compared with losses of £370,000 last year. In its last full year it lost £1.18m. The shares fell 2p to 30p.

Turnover in the first half fell from £15.5m to £13.3m and interest charges took £269,000 against £241,000 last time. To preserve trading status the board has declared a nominal interim dividend of 0.14p gross.

Mr Spencer Crookenden, the chairman, said that recovery from last year's losses had been difficult, requiring further redundancies and short-time working. Severance payments included in these figures total £73,000.

Kitchen furniture and industrial divisions made small profits in the period. However, in the appliance division stiff competition meant that cost reduction measures only succeeded in cutting losses.

Mr Crookenden comments: "These losses will not be allowed to continue and further action is being taken. Bank borrowings have been reduced by some £200,000 since the previous year, and we continue to be firmly controlled."

In the second half the company is making small profits at the pre-tax level in spite of thin order books.

## Peat predicts rise in its income

Accountancy firm Peat, Marwick, Mitchell expects worldwide fee income of \$950m (£487m) for the year to the end of this month. The figure last year was \$815m.

Last year's figure made Peat the second largest firm in the world after Coopers & Lybrand with income of \$845m and ahead of Arthur Andersen with \$805m. Comparisons for this year's figures are not yet available. In the United Kingdom fee income rose from £40.6m to £49.2m.

Mr John Grenside, chairman of P.M.I. International and senior partner of P.M.I. in the United Kingdom, revealed the figures in a speech to the PMI council meeting in London.

He also discussed developments in the EEC as they affect accountancy. He said he was concerned about the support among some states for the introduction of the eighth directive which would restrict the number of services offered to companies by auditors.

He said: "The users of accounting and auditing ser-

vices, not least medium and smaller companies which the United Kingdom Government is so anxious to encourage, looked for a broad range of capabilities and such restrictions, if imposed, would be contrary to their needs. The United Kingdom accounting profession would vigorously resist attempts to restrict their range of services."

Commenting on the state of the British economy, Mr Grenside said its decline was not absolute but far too great relative to the state of the developed world to be acceptable.

He added that the world economy should benefit from an easing of inflationary pressures as a result of the fall in the oil price. On small businesses in the United Kingdom he said they generally flourish best alongside large ones and added it was crucial to restore the major industrial base of the United Kingdom to good health. He pointed out that Britain was still 80 per cent overpriced relative to major competitors.

## W H Smith expects an improvement

W. H. Smith & Son is finding the going tough but should show an improvement on last year's performance.

So far as book distribution and publishing are concerned, operations in the United Kingdom appear to have stabilized. But the company faces its real test over the Christmas period, and the business in the United States is continuing to cause concern.

Mr F. W. Bennett, chairman, said at the annual meeting: "As is always the case, the level of Christmas trade is of paramount importance to the final results. But as of today we are not depressed about our performance or the prospects."

Mr Bennett added that the company was pleased for the most part with the way trading was holding up in the United Kingdom, on both the retail and wholesale sides. Trade was not dramatic but there were steady increases. However, there were some signs of a slowdown in newspaper and magazine sales.

**Bruntons finds going tough**  
Bruntons (Musselburgh), the steel wire maker continues to find this a difficult year, said Mr A. S. Wood, chairman, in his annual statement, but the board expects to be able to maintain the second interim dividend despite an inescapable decline in profits.

However, some signs of change favourable to the company were emerging—the value of sterling has fallen, and efforts to restrict the production and increase the prices of conventional steel producers and processors appear more likely to succeed.

**Profits tumble at Ariel Industries**  
Pre-tax profits of Leicester-based Ariel Industries crashed from the record £1.02m of 1979-80 to just £137,000 in the 12 months to March 31. The total dividend, gross, is being halved to 1.95p, the board predicted.

Ariel makes industrial fasteners, precision engineering products and items for the food and clothing industries.

**A Cohen recovers**  
In 1980, A. Cohen made good the ground lost in 1979. Pre-tax profits for last year reached £1.94m (compared with 1979's £1.76m), having Cohen almost level with 1978's £1.96m. Turnover was slightly better, at £34.7m, compared with £33.19m. The total dividend, gross, goes up by 1p to 10.1p a share. Cohen makes non-ferrous metal ingots, etc.

**Ward White's balance sheet strong**  
Despite the expenditure last year of £10m on acquisitions, the Ward White Group's

balance sheet is "remarkably strong", the chairman, Mr George McWaters, told shareholders at the annual meeting of the footwear and engineering group in London.

Mr McWaters added: "I would like to have reported that the start of the year had been good and that the United Kingdom recession being over, all operating divisions were at full steam ahead. But this is not the case. The United Kingdom recession is still with us and until that has changed we will be unable to achieve our full profit potential."

**Hestair maintains steady progress**  
Hestair's first four months trading this year have maintained the steady improvement shown last year with turnover rising some 15 per cent higher despite difficult trading conditions. Mr David Barrow, chairman, said at the annual meeting yesterday.

Particularly good performances have come from the consumer products division with both Hope and Kildicraft well up. Farm equipment remained a depressed market but last year's cost reductions have enabled this division to show much improved figures. The board hopes to resume payment of an interim dividend this year.

**Sidlaw back in profit midway**  
Following a return to profits at the half-way stage, Sidlaw Industries, the Dundee-based quartered oil services and textiles group, is lifting its interim dividend from 2.14p to 3.57p gross. Although turnover shrank from £17.95m to £15.22m in the six months to March 27 last, Sidlaw achieved a pre-tax profit of £256,000, against a loss, before tax, of £163,000 last time.

Prospects for the second half remain encouraging in oil.

## Business appointments

## Imperial names new director

Mrs Sara Morrison will join the board of Imperial Group as a non-executive director from October 1. She is an executive director of The General Electric Company and a director of the Abbey National Building Society and of the IBA Fourth Channel Company.

Mr K. Linford, Mr T. C. Stevenson and Mr P. J. Gilman have become directors of Esplanade Property Group.

Mr Chris Phillips has been elected to the board of W. Williams & Sons (Holdings). Mr Frank T. Davies has been made managing director.

Dr J. Hicks, a managing director of BP and chairman of BP Minerals International is to be chairman of Selection Trust.

Mr W. S. White is to join the board of directors of Rascal-Decca. Mr J. M. Thomas Decca, a managing director of Rascal-Decca, is to become managing director of Rascal-Decca. Mr David E. Baker is promoted to deputy managing director of Rascal-Decca. Mr Simon Mowat becomes commercial director and Mr Chris Webb technical director of Rascal-Decca Defence Systems (Radar). Mr Adrian R. P. now production director of Rascal-Decca. Mr J. M. Thomas Decca, a managing director of Rascal-Decca, is to become managing director of Rascal-Decca. Mr David E. Baker is promoted to deputy managing director of Rascal-Decca. Mr Simon Mowat becomes commercial director and Mr Chris Webb technical director of Rascal-Decca Defence Systems (Radar). Mr Adrian R. P. now production director of Rascal-Decca.

Mr Jim Shaw and Mr Michael Jennings are to become directors of the divisional board of Turnac. Mr A. H. Mason has been elected chairman of the Board of Exchange, Liverpool unit. Mr Peter H. S. Barker has been elected vice chairman.

Mr Hugh Reed has been made a director of C. H. Beazley (Holdings).

Mr Graham Jones has been appointed sales director of Delta-Flow.

Mr Kenneth Gardiner has been made director for Midlands Bank's Southampton region. He succeeds Mr Michael Fuller, who is to be a general manager of the bank.

Mr J. A. L. Cumming is to join the board of James Finlay Corporation. Mr J. J. C. Thompson is to join the board of James Finlay Investment Management and James Finlay Unit Trust Management.

Mr Hugh W. Laughland is to be a director of Thomas Tilling. Mr H. W. Jackson is to join the board of Butterfield-Harvey as a non-executive director.

**US takeover by Vaux Breweries**  
Sunderland-based Vaux Breweries has made its first move into the United States with a takeover worth \$1.40m (about £700,000). It has agreed to buy Fred Koch Brewery of Dunkirk, New York. Vaux believes there is considerable potential for smaller breweries in the United States concentrating on a high-quality product.

**Bank Base Rates**

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Credit	12%
C. Hoare & Co.	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams & Glyn's	12%

\* 7 day deposit on terms of 100% cash, 10% overdraft, 10% cash.

M. J. H. Nightingale & Co. Limited  
27/28 Lovat Lane London EC3R 8EB Telephone 01-821 1212

The Over-the-Counter Market

1980/81	1981/82	Company	Price	Change	Gross	Yield	P/E	Fully Paid
76	59	Airsprung Group	70	—	4.7	5.7	11.1	15.4
52	21	Armitage & Rhodes	48	—	1.4	2.9	19.8	45.7
200	52	Bardon Hill	200	—	9.7	4.8	7.5	12.8
104	38	Deborah Services	104	—	5.8	5.3	5.1	9.8
126	88	Frank Horrell	104	—	6.4	6.2	3.3	6.0
110	39	Frederick Parker	62	—	1.7	2.7	3.0	—
110	64	George Blair	64	—	3.1	4.3	—	—
110	39	Jackson Group	104	—	7.0	6.7	3.3	7.4
129	103	James Burroughs	129	—	7.9	6.1	10.6	10.6
334	244	Robert Jenkins	334	—	31.3	9.9	—	—
55	50	Scruttons "A"	55	—	5.3	9.6	8.5	7.3
224	196	Torday Limited	197	—	15.1	7.7	7.6	13.0
23	8	Twinklford Ord	15	—	—	—	—	—
90	68	Twinklford 15% ULS	80	—	15.0	18.8	—	—
56	35	Unilock Holdings	42	—	3.0	7.1	6.5	10.2
103	81	Walker Alexander	102	—	5.7	5.6	6.6	9.0
263	121	W. S. Yeates	255	—	13.1	5.1	4.8	9.8

## The Property and Reversionary Investment Corporation Limited

Results to 31 March	1981	1980
Profit before tax	£2,052,000	£1,877,000
Earnings per share	4.7p	4.5p
Dividend per share	3.0p	2.55p
Undistributed profit	£364,000	£428,000
Dividend cover	1.57	1.59
Net assets per share	235p	204p

Points from the statement by the Chairman, Mr Alfred Rubens FRICS

\* Property revaluation at 31 March 1981 15% up on previous year.

\* No credit taken for interest on £2.5m lent to subsidiary.

Copies of the report and accounts may be obtained from the Secretary of the Company at Albany House, Petty France, London SW1H 9EE.

## To the shareholders of British Sugar Corporation



## What looks sweet now could so easily turn sour

British Sugar is a one product company subject particularly to the vagaries of the English weather and to the policies of the EEC. For this year it has forecast increased profits and dividends. But on the Board's own admission there will be no growth in volume for the next four years. Can British Sugar, therefore, really hope to:

Maintain and increase a dividend which this year will cost nearly £19 million?

AND spend the £25 million a year they say they need for improving and modernising plant in addition to normal maintenance?

AND make an adequate charge for depreciation, when the 1979 amount was admitted to be "not sufficient" to replace their assets and since then has been reduced?

AND cope with the effect of inflation on fuel and labour costs with no compensating volume increase?

AND preserve and increase shareholders' funds?

Participate in an enlarged enterprise with a secure UK base and exciting prospects of international growth. British Sugar needs the protection of S & W Berisford.

**ACCEPT OUR FINAL OFFER WITHOUT DELAY**

Acceptance Forms can be obtained from County Bank Limited, 11 Old Broad Street, London EC2N 1EE. Telephone: 01-538 6000.

The Directors of S & W Berisford Limited have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate, and each Director of Berisford accepts responsibility accordingly.







§ Forward bargains are permitted on two previous days

price. c. interim payment pending. f. Price at suspension.  
 \* Offered for sale but excluded. \* Includes payments. \* Bid for  
 company. c. Pre-merger figures. a. Forecast earnings. b. Bid for  
 acquisition. d. Offered for sale. e. Offered for sale. f. Bid for  
 Tax free. f. Price adjusted for late dealings. \*  
 significant dates.

**RECENT ISSUES**

	Closing Price
Allied Residential 10p Ord (35)	35
BOC 9 1/2p. Div 10p 2000-02 (1202)	120
Crouch Group 10p Cvt 1993-94 (Par)	100
Glaxo 10p	100
Laird Prop 8 1/2p Cvt 1990-92 (1100)	110
London & Lancashire 10p Cvt 1990-92 (1100)	110
Long Shire 10p Cvt 1994-99 (1300)	130
Mutton Bros 10p Ord (38)	38
Murray Technology 10p Cvt 1990-92 (1100)	110
Newcastle Water 7 1/2p Ord 1986 (129)	129
Nelson 10p Cvt 1990-92 (1100)	110
Swansea (City of) 10p. Div. Rd 2002 (126A)	126
Treasury 11 1/2p. 1988 (71)	71

**LATEST DATES**

	Latest date of issue
RIGHTS ISSUES	
Allied Residential (1242)	1242
Broken Hill Proprietary (4738)	4738
Charles Warton Utilities (1700)	1700
Pureit Ltd (1821)	1821
GRS (2202)	2202
London & Lancashire (1100)	1100
Smurfit Ltd (1294)	1294

Issue price in parentheses. Ex dividend  
 is shown by tender. \* Nil paid, a. 250 paid b. 250 paid.  
 Fully paid, c. 500 paid, d. 250 paid, e. 1250 paid, f. 1250 paid.



[illegible]











